It is sometimes said that Planning signifies regulation and control. Democracy implies freedom or liberation from restraints, restrictions, bondages, and prohibitions. Democracy loses its significance in a country that takes to the planning method. It is argued that no type of economic planning can work without controlling consumption. Therefore, planning involves dictating to the individual what to buy. It is, thus, tantamount to an abrogation of individual liberty. Max Weber, F.A. Hayek, Von Mises are of the opinion that planning leads to collectivism and servitude.

Professor F.A. Hayek has argued in his book The Road to Serfdom that the adoption of planning method leads inevitably to regimentation and dictatorship. He observes: "... An economist, like the author, whose whole task is the study of how men actually do, and how they might plan their affairs, is the last person who could object to planning in this general sense. But it is not in this sense that our enthusiasts for a planned society now employ this term ... What our planners demand is a central direction of all economic activity.
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. 1 Again he remarks: "......... the idea that our goal must be neither the extreme decentralisation of free-competition, nor the complete centralisation of nationalisation, but some judicious mixture of the two methods. But both competition and central direction become poor and inefficient tools if they are incomplete; they are alternative principles used to solve the same problem, and a mixture of the two means that neither will really work and that the result will be worse than if either system had been considerably relied upon. Or, to express it differently, planning and competition can be combined only by planning for competition, but not by planning against competition." 2 He reflects on the inevitability of planning: ".......... The assertion that modern scientific progress makes planning inevitable can also be interpreted to mean that the complexity of our modern industrial civilisation creates new problems with which we cannot hope to deal effectively except by central planning. In a sense this is true - yet not in the wide sense in which it is claimed. .......... But it is wrong to suggest that the increasing difficulty of obtaining a clear picture of the complete economic process makes it indispensable that everything should be taken over by the State if social life is not to dissolve in chaos.

2. Ibid., p.25.
This argument is based on a complete misapprehension of the working of competition. Far from being appropriate only to comparatively simple conditions, it is the very complexity of the division of labour under modern conditions which makes competition the only method by which such co-ordination can be adequately brought about. There would be no difficulty about efficient control or planning were conditions so simple that a single person or board could effectively survey all the relevant facts. 3 Prof. Hayek is against central planning. Therefore, continues arguing: "......... It is no exaggeration to say that if we had had to rely on conscious central planning for the growth of our industrial system, it would never have reached the degree of service and flexibility it has attained. Compared with this method of solving the economic problem by means of decentralisation plus automatic co-ordination, the more obvious method of central direction is incredibly clumsy, primitive, and limited in scope. .......... It will be impossible to make use of many of the new scientific and technical possibilities unless protection against competition is granted, i.e. monopoly is conferred ........ But the argument for freedom is precisely that we ought to leave room for the unforeseeable free growth." 4 His views on the movement for planning are as follows: "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.

3. Ibid. p.29. 4. Ibid. pp.31-32.
The hopes they place in planning, however, are not the result of a comprehensive view of society, but rather of a very limited view, and often the result of a great exaggeration of the importance of the ends they place foremost. 5

A great lover of democracy, Professor Hayek thinks, be it repeated, that planning would inevitably lead to regimentation and negation of freedom. He believes that democracy does not exist where there is planning. He, therefore, goes on arguing: "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 effect of the people 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.

"It may have been the unanimously expressed will of the people that 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.

8. Ibid., pp.33-34.
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. 6

Every member of the legislative assembly might prefer some particular plan for the direction of economic activity to no plan, yet no one plan may appear preferable to a majority to no plan at all. ..........  

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.

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

be represented as essential parts of the whole, it will remain quite ineffective. 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 insofar as democracy ceases to be a guarantee of individual freedom, it may well persist in some form under a totalitarian regime. A true 'dictatorship' of the proletariat, even in democratic form, if it undertook centrally to direct the economic system, would probably destroy personal freedom as completely as any autocracy has ever done. 7

Hayek is of the opinion that the initial move in the direction of planning may be made in a democratic set up, but, step by step, there will be a movement towards dictatorship. The very logic of economic planning, which is a collectivist idea as opposed to the democratic idea of a competitive system, will lead to this. Democracy can function only within the competitive system. "When it becomes dominated by a collectivist creed, democracy will inevitably destroy itself." 8 Hayek views the logical course of development which would lead to the replacement of democracy by dictatorship. He starts from a major premise, an initial assumption that a democratic assembly, a Parliament cannot produce a plan.

8. Ibid, p. 52. (Not Abridged Edition). Here Hayek has viewed the matter specially from the standpoint of British Democracy, but his arguments are of a general nature and have a wider application.
A plan needs a choice of ends from among different objectives, which is a business of experts and which no Parliament can perform effectively. The members of Parliament may not be able to reach any agreement on the form and content of planning. The whole matter is to be thrashed out, and decisions taken thereon by a group of individuals. After the plan is accepted, the Parliament will become a non-entity. Gradually, the substance of power will go into the hands of the plan-makers. Therefore, Hayek says: "A democratic assembly voting and amending a comprehensive plan clause by clause, as it deliberates on an ordinary bill, makes non-sense. An economic plan, to deserve the name, must have a unitary conception". 9 ""...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 be given powers to act on their own responsibility". 10 This is how the way for the emergence of dictatorship would be paved.

A few more significant by Professor Hayek are noteworthy: "It is pathetic, but characteristic of the muddle into which many of our intellectuals have been led by the conflicting ideals in which they believe, that a leading advocate of the most comprehensive central planning like Mr. H.G. Wells should at the same time write an ardent defence of the Rights of Man". 11 "... How

10. Ibid, p.57 (Abridged edition)
11. Ibid, p.44
even a formal recognition of individual rights, or of the equal rights of minorities, loses all significance in a State which embarks on a complete control of economic life, has been amply demonstrated by the experience of the various central European countries”.  12 Hayek argues also:

"Yet as a permanent institution (Planning) this view is certainly incompatible with the preservation of the Rule of Law, and it leads straight to the totalitarian State".  13 "Most planners who have seriously considered the practical aspects of their task have little doubt that a directed economy must be run on more or less dictatorial lines......... The consolation our planners offer us is that this authoritarian direction will apply only to economic matters. Such an assurance is usually accompanied by the suggestion that by giving up freedom in what are, or ought to be, the less important aspects of our values, we shall obtain greater freedom in the pursuit of higher values. On this ground people who abhor the idea of a political dictatorship often clamour for a dictator in the economic field.

"This attitude is largely a consequence of the erroneous belief that there are purely economic ends separate from the other ends of life. The ultimate ends of the activities of reasonable people are never economic. Strictly speaking there is no "economic motive" but only economic

economic factors conditioning our striving for other ends. What in ordinary language is misleadingly called "the economic motive" means merely the desire for general opportunity. The extent of the control over life that economic control confers is nowhere better illustrated than in the field of foreign exchanges. Yet the experience of most continental countries has taught thoughtful people to regard this step as the decisive advance on the path to totalitarianism and the suppression of individual liberty. Although the professed aim of planning would be that man should cease to be a mere means, in fact — since it would be impossible to take account in the plan of individual likes and dislikes — the individual would more than ever become a mere means, to be used by the authority in the service of such abstractions as the 'social welfare' or the 'good of the community'. We should be seriously deceiving ourselves if we sought comfort in the notion that the adoption of central planning would merely mean a return, after a brief spell of a free economy, to the ties and regulations which have governed economic activity through most ages, and that, therefore, the infringements of personal liberty need not be greater than they were before the age of laissez-faire. This is a dangerous illusion. It is often said that political freedom is meaningless without economic

15. Ibid., pp.47-48.  
16. Ibid., pp.49-50.
economic freedom. This is true enough, but in a sense almost opposite from that which the phrase is used by our planners. Economic power centralised as an instrument of political power creates a degree of dependence scarcely distinguishable from slavery. The above lines enable a reader to understand the viewpoints of Professor Hayek clearly. In *The Constitution of Liberty*, Professor Hayek describes the situation in a planned economy: "The situation would then differ from that in a free society merely in the fact that the inequalities would be the result of design and that the selection of particular individuals or groups would be done by authority rather than by the impersonal process of the market and the accidents of birth and opportunity. It should be added that only those kinds of better living approved by authority would be permissible and that they would be provided only for those specially designated. But, in order for a planned society to achieve the same rate of advance as a free society, the degree of inequality that would have to prevail would not be very different." The essential fact is that in a competitive society the employed is not at the mercy of a particular employer, except in periods of extensive unemployment. No body can be coerced to continue to work under a particular boss, even if he has contracted to do so; and, in a normally operating competitive society, alternative

alternative employment will be available, even though it may often be less remunerative. And a consistent application of socialist principles, however much it might be disguised by the delegation of the power of employment to nominally independent public corporations and the like, would necessarily lead to the presence of a single employer. Whether this employer acted directly or indirectly, he would clearly possess unlimited power to coerce the individual. 20

"A world in which the majority could prevent the appearance of all that they did not like would be a stagnant and probably a declining world." 21

"It may become a real danger to liberty if too large a section of economic activity comes to be subject to the direct control of the State. But what is objectionable here is not State enterprise as such but State monopoly." 22

Strictly speaking, then, there are two reasons why all controls of prices and quantities are incompatible with a free system; one is that all such controls must be arbitrary, and the other is that it is impossible to exercise them in such a manner as to allow the market to function adequately." 23

Furthermore, many of the old socialists have discovered that we have already drifted so far in the direction of redistributive State that it now appears much easier to push further in that direction.

20. Ibid, p.121.
direction than to press for the somewhat discredited socialization of the means of production. They seem to have recognized that by increasing Governmental control of what nominally remains private industry, they can more easily achieve that redistribution of incomes that had been the real aim of the more spectacular policy of expropriation". 24.

In *Utilitarianism, Liberty And Representative Government* John Stuart Mill, the champion of liberty says: "But though this (Liberty) proposition is not likely to be contested in general terms, the practical question, where to place the limit — how to make the fitting adjustment between individual independence and social control — is a subject on which nearly everything remains to be done". 25 "........ What the State can usefully do is to make itself a central depository, and active circulator and diffuser, of the experience resulting from many trials". 26 "........ A Government cannot have too much of the kind of activity which does not impede, but aids and stimulates, individual exertion and development. The mischief begins, when, instead of calling forth the activity and powers of individual and bodies, it substitutes its own activity for theirs; when, instead of informing, advising, and, upon occasion, denouncing, it makes them work in fetters, or bids them

them stand aside and does their work instead of them. 

.... a State which dwarfs its men, in order that they may be more docile instruments, in its hands even for beneficial purposes — will find that with small men no great thing can really be accomplished; and that the perfection of machinery to which it has sacrificed everything will in the end avail it nothing, for want of the vital power which, in order that the machine might work more smoothly, it has preferred to banish." 27 John Stuart Mill's argument shows that he is against too much State-interference in economic matters for it encroaches upon human freedom and spontaneity.

Carl J. Friedrich observes: "It is customary to speak of planning and of socialism in virtually the same breath. ....... The assumption of a necessary link between the two is reinforced by the fact that the Soviet Union, believed and represented to be a 'socialist State', has engaged in large scale planning and is by many economists credited with having achieved 'the highest development' in planning. But the fact that socialism and planning have been thus linked in theory and practice does not mean that planning is necessarily so linked. Nor indeed does it mean that socialization, as distinguished from socialism (for instance, a country may "socialize" its railroads without embracing socialism as a system for all or most economic activity), need necessarily

necessarily imply planning". A supporter of democratic planning Friedrich believes in the utility of planning. He does not hold that planning can be of one type only, viz; centralised planning. Opposed to the views of Professor Hayek, he remarks: "It is, nevertheless, our contention that a certain kind of planning is not only compatible with constitutional democracy, but is its natural extension in a mature industrial society. But this planning is not the same as the "blue-printing planning" of a totalitarian system. In fact, properly considered, a constitution is itself an ambitious plan". In short, a planning process which involves coercion in any considerable scale will be unenforceable in a democratic society. Friedrich thinks that planning may not lead to serfdom. Therefore he observes: "Planning may not of necessity be the road to serfdom. But if it is not, the supporters of planning will have to give a great deal more constructive thoughts to how planning may be fitted into the process of constitutional government. "Sometimes ago I wrote that 'the road to serfdom lies through the timid disbelief in the capacity of the people to rule themselves'. And in the last analysis, this is the nub of problem, as it is in the other tension areas we shall have to consider. Whether it lies through assimilation of the planning process to well
tried budgetary and fiscal techniques, as I am inclined to believe, or whether it can be accompanied through syndicalist methods, as guild socialists argue, or whether planning can be made part of responsible administration, it is in any case clear that we cannot surrender to chaos and despair, because we may have to restrict one freedom in order to make another freedom secure. Freedom, like property, is a bundle of rights and privileges, changeable in its composition, yet basically inter-related. If too much of the bundle is lost by the failure to make a plan, freemen may find some way of planning the way out. There is enough concrete experience at hand to show that it may be done. 31

Mr. Thomas Wilson is a supporter of planning and therefore he has termed the complète laissés-faire as dead horse. He remarks: ".......... It is now generally agreed that the State should intervene or even take the initiative in various aspects of economic affairs. Com- plete laissés-faire has few supporters and we need not waste time in flogging a dead horse". 32 In his opinion, planning is needed in a democratic country for growth. This accounts for his support for planning. He cites the example of a democratic country where planning method has also been introduced and adopted. He argues: "The reasons for the abandonment of planning and controls seemed strong enough in the past and, in retrospect, continue

continue to seem so. How then is it possible to explain the fact that in 1952 the British Government — a conservative Government at that time decided to resort once more to planning by targets? Is the explanation that the new planning was to be significantly different in some respects from that practised in the post-war years? It was frequently claimed by socialists that there was some other form of planning that would bring marked benefits without imposing on the country the hampering restrictions of post-war planning, but the recommendations were usually too vague and ambiguous to be illuminating. It was only in the late fifties and early sixties, as interest in French planning grew, that more definite proposals began to be made.* 33*

Some arguments put forward by Seymour E. Harris are worthy of being considered. Like many other economists, he is a supporter of planning system. He is also an advocate of democratic planning. He disfavours pure capitalism when he argues: "Planning has no place under pure capitalism, for it does not allow much room for the capitalist trinity, — sovereignty of the consumer, the tyranny of the price system, and the quest for profit." Indeed, some economists try to reconcile planning and capitalism (Landauer, Lange, Lorwin, Pigou, Schumpeter, and Wootton) — perhaps the most notable example is Prof. Landauer. * * * * yet, according to Dr. Landauer, the

*Ibid., p.22*
Government will vary the proportions between spending and saving, and will clearly reduce risks and contain the role of the entrepreneur. Thus, even democratic planning involves serious departures from the capitalist system. Prof. F.A. Hayek has put together anti-planning theory in his interesting and helpful volume, 'Individualism and the economic Order' (1948). Even more recently Prof. A. Bergson has presented a brilliant survey of the literature on planning.

According to Bergson, it is necessary to determine ends - e.g., consumer sovereignty, savings and investment, communal consumption, income distribution, provision of military potential. It is also required to suggest the optimum conditions, - e.g., factors combined in every industry in a technologically optimum manner? He also discusses many other vital issues: the administrative problems raised the competitive solution (with freedom of choice, and with the problems of management, forecasting, rigidities and inequalities of income); the transition problems; the centralist solution with its 'Method of Balanced Estimates' under which the central Board checks planned requirements of commodities and services with planned supplies, and he suggests when the centralist approach may be more helpful than the competitive one. Harris is also found to observe on "Liberty And Incentives" in a planned economy: "Unplanned capitalism is not clearly superior to socialism on economic grounds.

36. Ibid; pp.5-6.
grounds - and specially when the planned society can capitalise on the early gains made by dynamic capitalism .......

For example, profits are surely an effective incentive; but the planned society also provides incentives for managers and workers. .................................................................

"The most serious doubts concerning the planned economy revolve around the issue of liberty; for the planned society still has to prove that it can achieve its economic goals without the loss of fundamental liberties, without the police State, and by the use of incentives (the carrot) rather than compulsion (the stick). The U.S.S.R. has no freedom of speech, of assembly, or of the press. Compulsory labour seems to be practised now, although it apparently was relatively restricted until the war period. Once the entire system attains maturity and achieves a high state of industrialisation, the freedom to choose an occupation may will regained .... The Russians still have to prove, however, that their planned society can co-exist with the other fundamental liberty.

"In his discussion in Full Employment, Lord Beveridge stressed the compatibility of a planned society and the retention of fundamental freedom. But he was prepared to accept direction of investment of labour. .......

"The world anxiously awaits the results of the British experiment. Americans will be more disposed to accept
accept a planned economy if it is proved to be practical without serious infringements on liberty. Whether compatible with freedom or not, however, the disposition to accept dictation by a planning board will depend in no small part upon the results achieved by unplanned capitalism, and upon the crisis endangered by the post-war political situation. If the capitalist machine suffers from magneto trouble or if it creaks and groans, those in distress will seek a way out; and to many, bread and housing will seem more important than liberty.

"Of this we may be reasonably sure: with the outbreak of war, in its likely proportions, capitalism and liberty will prove to be too expensive a luxury". 37 Again, Mr. Harris adds: "Lord Beveridge, on the other hand, in Full Employment in a Free Society envisages a planned economy in which the essential liberties of man are preserved. Time will tell whether Hayek or Beveridge is right. Surely, Hayek's analysis suggests that he has fallen into an elementary error of logic. The price of a completely planned economy there seems to have been 'a substantial loss of liberty. It is not clear, however, whether impaired freedom can be considered a result of poverty, or of the planning which poverty and destruction made imperative". 38

Mrs. Barbara Wootton, a great exponent of democratic planning, does not think that planning means destruction of democracy and liberty. She finds planning compatible

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37. Ibid; pp.7-8.
38. Ibid; p.60.
compatible with democracy. Freedom is maintained in a planned economy if the planning is of a democratic type. The need for planning to protect the freedom and rights of citizens cannot be over-emphasised. Her concept of freedom is couched in the observation that follows:

"The freedoms that matter in ordinary life are definite and concrete; and they change with the changing ways of different ages and different civilisations. At the same time all freedoms have a common quality - the quality, in fact, of freedom.

"Freedom for everybody to do what he wants is not necessarily the sole purpose of organised society. There may be other admirable social ends which conflict with, or demand, limitations upon freedom. The fact is, of course, that people's freedom - their ability to do what they want - is affected in many and complex ways by nearly every kind of organised social activity. Freedom should not be defined in terms which, even by implication, deny the possibility that a high degree of material well-being may be accompanied by deprivation of freedom.

"Planning is a matter of degree. It is nowhere completely absent nor does it anywhere cover 100 per cent of all economic activity. In real life a pure economy is as improbable as a pure race. Economic are scarcely less varied than biological hybrids."
"If, for practical purposes, economic planning is to mean State economic planning, it follows that, in the present stage of political development, plans must be confined within national boundaries. 

We may distinguish civil, cultural, political and economic freedoms. The civil and cultural are much the most difficult to define with precision. Cultural liberty includes many varied freedoms of action and expression, while civil freedoms cover chiefly avenues legal, or judicial, rights. Among the former free speech and religious freedom are generally ranked high. Political freedoms are those which have to do with the right to choose, to change, or to influence, the Government in power. Freedom to vote or to form an opposition political party are two practical examples. Economic freedoms are those primarily concerned with getting and spending an income, or with the use and ownership of property. It is obvious that this classification is not watertight. Freedom of speech, for example, if one wishes to speak on political topics, overlaps the boundary between civil and political freedoms. Freedom to join a Trade Union is often ranked as one form of the civil freedom of association, but its intention and purpose is plainly economic.

Colonel Geoffrey Vickers has treated this as fundamental in his interesting, if rather sinister, paper on Purpose and Force. The conception that freedom means
means the unrestricted opportunity to move in any direction or to stand still, as caprice may dictate, he writes in the course of an attack upon J.S. Mill's concept of liberty, "is a modern and calamitous delusion, the falsity of which can only be concealed by prosperity. A castaway on a desert island, hunting gull's eggs for his food, would not count his freedom from interference as liberty," 39. On this view, freedom is said to have a "positive" quality.

A great gulf, it is suggested, lies between the negative conception of freedom as "freedom from interference," and positive freedom in the sense of "opportunity."

"The essence of Democracy" says Commonwealth, 40. "is that the resources of the State are a common possession to be managed on behalf of all, by the representatives of all, for the benefit of all." Before this essence can be distilled into concrete social and political institutions, however, a number of conditions must be fulfilled. The justification of planning in terms of freedom must be that by conscious collective decision of economic priorities our frustrations are diminished and our freedoms enlarged that we have more opportunity to do what we want to do .......

"Granted that some common needs exist and that these can be, if not known, at least the subject of better or worse guesses, freedom still demands assurance that it

is for these needs and no others that the planners shall in fact plan. The fact that this assumption is so generally, and so light-heartedly, made by those who are convinced of the beneficial potentialities of planning is no doubt a tribute to the good hearts of those who make it. It is a generous optimism; but the prudent will not forget the fact that planning is not possible without power, and that power, whether in the hands of Prime Minister or railway guard, is potential tyranny. A wise choice of planners and a watchful eye on plans may well be the price of freedom.\textsuperscript{41} She also reflects on cultural freedom:

"For real cultural freedom demands not merely variety, but actual indeterminacy, of cultural ends. Such freedom is not achieved, unless economic planning sets people free to do and say things of their own choosing — things which are not known beforehand to, much less decided by, the planners."

The problem of planning for freedom thus resolves itself into the problem of determinate planning for indeterminate cultural ends. We need not despair of the possibility of combining useful planning and cultural freedom, provided that certain conditions are observed.

"The first condition is the obvious one that such planning must know where to stop. It follows that determination of economic priorities, carried to the ultimate limit, would prohibit cultural freedom.\textsuperscript{43}

\begin{footnotes}
\item[41] Barbara Wootton: op. cit.; pp. 9-25.
\item[42] Ibid.; p. 26.
\item[43] Ibid.; pp. 28-29.
\end{footnotes}
"It is therefore not enough for Professor Hayek to assert (quite correctly) that "the power of the planner over our private lives" rests on his power over production". 44 It does. But power can be exercised in different ways and in different degrees..........

To condemn all economic planning on the ground that if carried to extremes it can be used to nullify all freedom of expression is of a piece with forbidding innocent activities on the ground that in certain circumstances they would be anti-social. ........

"Somewhat similar is the argument which contends that cultural freedom and economic planning are incompatible since an economic plan and a cultural pattern are, for practical purposes, identical. If the term "Cultural" is defined sufficiently widely, this is certainly true in part; but there is no reason why it should be wholly true, unless we perversely wish to make it so. Moreover, the points at which cultural freedom is unavoidably restricted by an economic plan are also points at which it would be restricted in the absence of any such plan. If cultural liberty means individual freedom to determine the whole way of life, we are bound to admit that this freedom must be in great measure foregone in any large and complex society. ..........................................................

"It is, therefore, non-sense to assert that comprehensive economic planning cannot stop short of the point at

44. Quoted by Wootton, p.30. The Road to Serfdom, p.69."
at which it destroys all cultural freedom. The critical issue is this business of knowing where to stop.

"...the lengths to which economic planning can safely be carried depend on a number of intangibles such as the quality of the planners and the social conditions of the community in which it is conducted..."

The nineteenth century thinkers whom it is now fashionable to decry, were consistent and right in their assumption that political democracy implies a rational approach to politics. They were wrong only in exaggerating the actual rationalism of the actual electorate. If it should unhappily prove true that men and women generally cannot ever attain the degree of rationality which political democracy demands, the answer would not be that an up-to-date democracy should treat them as the irrational creatures that they are. The answer would be that a free democratic society is impossible. There are no short cuts to freedom.

"State economic planning does not, in short, after the fact that power will be used by cruel and tyrannous people in one way, and by the humane and the lovers of liberty in another... Just as the power of the State can be used to destroy all cultural freedom, so also it can be directed against every kind of civil freedom. Whether it will be used in either or both of these ways depends on how far political power is in practice absolute, and what kind of people exercise that power for what kind of ends. The judicial species of civil freedom in particular - that is, fundamentally, freedom from arbitrary punishment -
punishment is only necessarily threatened by economic planning if it is true that a Government which takes responsibility for economic decisions is for some reason necessarily composed of more dictatorial people than one which leaves these matters alone." 45 Mrs. Barbara Wootton turns her attention to the 'Freedom of the Consumer' as well: 'Full Consumers' Sovereignty in this sense is, however, definitely not compatible with economic planning as we have defined it. The case for planning is not that it is identical with, but that, in certain circumstances, it is superior to, the planless method of settling economic priorities.

"...the conscious planning of economic priorities involves no necessary threat to freedom of consumption in the sense in which we have so far used that phrase...."

"...And in planning, as we reasonably may plan, for a rising standard of living, we should not dismiss a freedom as unimportant merely because it has comparatively little significance to the very poor. It is a rational hope that the very poor we shall not always have with us." 46

"...Happily there is every reason to hope that this conflict between consumer liberty and producer security can be resolved and resolved without grave interference with the consumer's liberty to spend as he pleases. But it cannot be resolved without a considerable amount of economic planning.

The road out of the difficulty lies not through dictating to the consumer when he may or may not spend his money, but through the State undertaking both to make good the deficiencies, and to compensate for the vagaries, of consumer spending. Professor Hayek has argued that, in modern political units, no such common agreement is possible. Any conscious attempt to shape our economic life in a particular way - to foster this industry in preference to that - simply reflects the victory of one sectional interest over another. It follows that only a tyrannical Government will attempt to sponsor any kind of economic design or plan. Planning thus leads to the eventual abolition of all political, as well as of a good slice of cultural and civil freedom.

"This is an extraordinarily depressing and pessimistic doctrine. Its validity all turns on this question of the limits of genuine agreement. Professor Hayek's contention that agreement stops when we pass from formal rules with unforeseen effects, to specific rules with foreseen and intended effect upon individuals is, of course, part and parcel of his denial of the possibility of planning for indeterminate cultural ends. It presumes an utterly sceptical attitude as to the common good."

"To show that no plan or policy is likely to redound to
to the personal advantage of every citizen is, however, in no way to prove either that no policies or plans can commend themselves as desirable to those who do not personally stand to gain, and may actually lose, by them; or that the only "goods" in the world are those which can be literally bought and sold. "It follows from all this that planning and effective political freedom are only compatible in so far as people are really of one mind about what they want to plan for; otherwise continuity could only be maintained by tying the hands of an Opposition which disapproved not only the methods, but also of the objects, of the plan. ....... that acceptance of certain economic and social aims as objectives of an economic plan is quite a different matter from submission to cultural uniformity". 48 At the end of the book in the chapter "Who Is To Plan The Planners" (in her book Freedom Under Planning), Mrs. Barbara Wootton argues: "......... I have tried to show that there is nothing in the conscious planning of economic priorities which is inherently incompatible with the freedoms which mean most to the contemporary Englishman or American. Civil liberties are quite unaffected. We can, if we wish, deliberately plan so as to give the fullest possible scope for the pursuit by individuals and social groups of cultural ends which are in no way state determined. The consumer can enjoy the pleasure of comparing prices and qualities, and spending money that is freely available to the

the limit of his income, just as and when he thinks fit.

Planning need not even be the death-warrant of all private enterprise; and it is certainly not the passport of political dictatorship. 

that free choice of employment will never be a reality without planning, since legal freedom of choice is a mockery if economic pressure compels the chooser to accept the first available job.

"A happy and fruitful marriage between freedom and planning can, in short, be arranged. That leaves us with the problem (which we have so far taken as solved) of translating "can" into "will". This is a problem of social and political psychology. Success or failure turns on the behaviour of the actual men and women who have the responsibility of planning; on the measure in which positions of power are filled by men and women who care for the freedom of others and (what is not less important) in whom this love of liberty is not subsequently stifled by the habit of authority. Here, of course, there can be no secure guarantee. 

power still corrupts, absolute power still corrupts absolutely, and eternal vigilance is just as much the price of liberty as ever it was. The prospect for freedom is indeed bright only where these truths are fully appreciated and constantly in mind.

"If we are to accept Prof. Hayek's view that economic planning inevitably brings the worst to the top, we may as well throw up the sponge altogether. His arguments in support
support of this thesis are, however, happily inconclusive and unconvincing. There seems to be a double confusion in Professor Hayek's statement that 'the largest group of people whose values are very similar are the people with low standards'. On the one hand high moral value appears to be here confused with intellectual complexity.

"""Democracy is suited to an intimate, personal environment; modern technique imperatively demands Government upon the grand scale. Somehow democracy must adapt itself to this inexorable twentieth-century climate.""

"The problem of adapting democratic theory and practice to the realities of the modern world will not be solved in a day; it is, perhaps, the most fundamental of all the social problems of our time. Unquestionably, the increased scope of governmental activity, and the increasing centralisation demanded by modern technique, involve great risks, just as they also offer new and splendid possibilities.

"In a free democratic society, where cultural freedom, not cultural uniformity, is the purpose of planning, social ends are reflected in the final impact of plans and policies on the lives of individuals; and they resolve themselves at what point into values that are simple and intelligible as well as significant.""

"Some of the most important bulwarks of freedom, moreover, must always be built at the circumference of any large-scale
large-scale plan; and our conception of what constitutes useful civic activity in a modern democracy must be revised so as to give proper place to the duty of manning those bulwarks.

"The last and greatest defence of freedom under planning lies in the quality and attitude of the people.

"Social equality is, indeed, itself plainly the product of deliberate planning. The problem of freedom under planning thus resolves itself in the end into a circle that can be either vicious or virtuous: it is the citizens of a wisely planned society who are least likely themselves to fall victims to the dangers of planning; and vice versa. And all round that circle it is the responsible, the alert, the active, the informed men and women in the street who hold the key positions. 49 This rather lengthy excerpt throws a flood of light on the viewpoints of Mrs. Barbara Cotton. She does not think that planning leads to totalitarianism and destroys freedom. On the contrary, she holds that planning protects and maintains freedom. She emphasizes that planning is not to be created as the monopoly of any particular system. It is to be viewed as an independent economic technique. It may also be utilized and applied in the socialist and capitalist countries.

Leslie

49. Ibid; pp.139-157.
Leslie Lipson though a great democrat supports (indirectly) planning of the democratic type. He has also indulged in elaborate arguments on planning and freedom in his book entitled *The Great Issues Of Politics*. He argues: "In large and wealthy countries, however, perhaps the most paradoxical result of laissez faire has been its inability to live up to its own principles in certain critical sectors of the economy. The very freedom on which the system prided itself permitted ample opportunities for any who started with an initial advantage or who were unscrupulous in their means, or who enjoyed exceptional luck to become richer and more powerful than their fellows. Despite its good intentions, the doctrine of freedom paved the road to privilege." The presence, side by side, of very rich and very poor; the concentration of wealth and, with it, of social power; the organization of trusts, cartels, and monopolies; the rise of holding companies and interlocking directorates; such practices, where prevalent, negated the ideal of free competition among equal individuals.

The central concept of laissez faire that upheld State in action as a virtue formed an umbrella beneath whose shelter economic organizations could luxuriate and thrive. Since their activities were subject to few restraints, the largest and strongest could press their advantage to dominate the small and weak. 50

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A system in which the State regulates, but private persons own and operate, is often extolled for combining the best of both worlds. While private ownership contributes its vaunted efficiency, because of the profit motive and competitive stimulus, State surveillance ensures that service to the public interest will be considered along with profit. Or again, regulation may be lauded as a happy compromise between two extreme positions - that of outright public ownership and that of autonomous private ownership. Thus the regulated economy is pictured as a "middle" lying between the aberrations of socialism on the left and laissez-faire capitalism on the right. An additional argument, with a different slant, emanates from socialists who are prepared to confine public ownership within certain bounds, but desire to plan the economic system in order to secure such nationally important ends as the prevention of mass unemployment, improvement in living standards for the poorest, expansion of exports, and a more stabilized economy with its consequent security.

Advocates of unrestricted laissez-faire blame the system of State-regulation for hampering their initiative and limiting their authority, while proponents of socialism claim that the public interest suffers if the State confines itself to laying down conditions and leaves their application to private operators. Thus instead of a union of public responsibility and private efficiency in harmonious wedlock, the results may exhibit divided authority and jurisdictional deadlock. Furthermore, if regulation is
is justified as a device that facilitates a planned economy, many will be found to condemn the means by rejecting the end. Planning in their view is administratively unworkable, economically inefficient, and politically dangerous. It calls for a large number of civil servants, subordinates economic decisions to political calculations, and concentrates enormous power under the sway of the State. 51

Regarding freedom, Leslie Lipson says: "Since Washington's day political developments in democratic countries have produced a complete about-face on the subject of parties and their value. While nobody would deny that a system of Government by alternating parties contains imperfections and invites risks, a superior method of ensuring political freedom has yet to be discovered. So strongly is this opinion held throughout a large portion of the contemporary world that the existence of more than one party is nowadays considered an essential criterion to distinguish a regime of liberty from one of dictatorship. For wherever there is an opportunity of choice, there is some freedom. Where no choice exists, there is coercion". 52

Regarding the preservation of rights, Lipson argues: "If enough people are sufficiently determined to preserve and exercise their rights, those rights will be exercised and preserved, and the institutions will then be found to do the job. But where that determination is lacking, no Court, no Congress, no Parliament can fill the gap. The ultimate sanction, therefore, of all civil liberties resides in the same source that creates the constitution initially and renders it

51. Ibid; pp.189-190.
52. Ibid; p.251.
It effective - the political will of the people. Freedom in any society is what the people earn and guard for themselves. 53 Regarding the preservation of freedom, Lipson, again, argues: "There is no certain way of guaranteeing freedom. It is possible, though difficult, to establish and operate a politically free society. It is not too difficult to suppress freedom entirely by a preservation of power. All that can be prescribed is a set of conditions that, if adhered to, tends to encourage the attainment of freedom and discourage its opposite. These conditions depend on planning a constitutional system that builds the right of criticism and opposition into the central structure of Government. Applied in detail, this principle spells itself out into universal suffrage, periodic elections, the co-existence of two or more parties, and opportunities to form new political combinations. Where such requirements are met, liberty is better guaranteed than by the pluralist reliance on mutual conflict between private associates and their general rivalry with the State". 54

"......... the social and economic privilege - when expressed in a grossly unequal distribution of property, income, security, and living standards - is no more desirable than the political privilege of a limited class or caste. That, in other words, is an affirmation of the principle of equality. How can the State that assumes the direction of society organize the race of life so as

53 Ibid; p.259
54 Ibid; p.405
to mix equality with liberty? It is possible to do this
if the State ensures equality for all at the starting tape;
if it offers prizes for the more talented; and if it
guarantees a minimum reward to each contestant. These
criteria would seem to satisfy the test of welfare. More
than that, by blending the rights and duties of the indi­
vidual with those of society, they point the way to a
conception of social justice. It is only when this is
achieved that power, besides being rendered safe by the
politics of freedom, also acquires a moral legitimacy.
The degree of approximation to this standard will measure
the level of civilization that a people have attained.
Conversely, a subordination of welfare to power and the
disregard of social justice is an index of inhumanism." 55

E. F. M. Durbin, a supporter of Democratic planning,
has admirably advocated the cause of an economic planning
under a democratic set up. The essence of planning is
"the substitution of conscious foresight for the instinc­
tive adjustments of the competitive system, and the estab­
lishment of social authority in place of the search for
private monopolistic control .......". This leads to
"a better balanced and a more securely progressive
economy". 56 Mr. Durbin argues: "The theory of
value constructed by economists has been used as an argument
against planning. Used in this theory it is an important
but invalid argument. ....... The freedom to obtain goods

in the most preferred relation to each other is a freedom that should be denied to no person and no society. Why should it be? It is independent of the distribution of income and the size of income. It is more important to the poor than to the rich." 57 He adds further: "But it would be almost true to say that we are all planners now. The collapse of the popular faith in laissez-faire has proceeded with spectacular rapidity in this country and all over the world since the war. There now exists a completely planned economy in Russia, a bold and far-reaching attempt at general planning in America, an extension of the economic power of authoritarian Governments in Italy and Germany, and the rudiments of financial and agricultural planning in England. 57 It is quite untrue, as certain opponents of planning always argue, that general planning will be no more than the sum of a large number of interferences with a private enterprise economy. Social interests are necessarily more strongly represented in the machinery of generalised planning than in particular interferences, and it is confusing to call these two types of economic change by the same name. Planning does not in the least imply the existence of a Plan - in the sense of an arbitrary industrial budget which lays down in advance the volume of output for different industries. Planning does not, and should not, imply any dogmatism.

dogmatism about the future. It is not possible to tell in detail what will happen to human tastes, to technical invention, to general standards of security and well-being. It would therefore be foolish in the extreme to attempt to lay down plans which could not be amended quickly in the light of changing social requirements. ........... He argues, again, "It is, however, perfectly clear that social equality cannot be achieved in an unplanned economy. ........... It is the indispensable preliminary means for the attainment of the new society. ........... An increasing number of thinking men and women are coming to the conclusion that centralised control is a better method of organising production, ........... They believe that Planning is an essentially more efficient method of organising economic life". 59 It is said that a price system cannot work in a planned economy. Durbin, however, thinks otherwise. He, therefore, argues: "....... Russia, a centrally Planned economy, is plainly operating a price system of a sort". 60 ........... The logic of pricing and costing therefore applies as much, or as little, to a planned economy as to any other.

"In practical terms it is equally obvious that pricing and costing can be used in the socialised sector. Consumers can plainly be left free to spend their money as they please". 61

Next, Mr. Durbin proceeds to comment on the views of Professor Hayek on Economic Planning: "We differ radically, however,

however, about the means by which these ends can best be secured. Professor Hayek (in his "The Road to Serfdom") believes that the pursuit of equality and the growth of economic planning will lead to the regimented and cruel society that we all want, more than anything else, to avoid. Socialist economists believe exactly the opposite. Most of us are socialist in our economics because we are 'liberal' in our philosophy, and we believe that it is Professor Hayek who has missed the road to freedom that all humanitarian "liberals" wish to find*. 62 Durbin criticises the arguments of Professor Hayek: "I wish to make three criticisms of Professor Hayek's complex thesis. In the first place, I suggest that Professor Hayek has not asked himself with sufficient determination what he means by the phrase "economic planning" and that in escaping this obligation of logic he has been led to neglect all recent writings on the subject and to hammer heavily upon an open door. ....... If by "economic planning" is meant the imposition of a complete budget of production upon the community in which the output of every commodity, from power plants to razor blades, is laid down for years ahead, in which the occupation and distributive share of every citizen are determined by a central authority over which he has no ultimate control and on which he can exert no influence either as a producer or a consumer - then I quite agree with him that a regime of this kind could only be foisted upon us by dictatorship and terror.*

"But Professor Hayek should know that, rightly or wrongly, this is not what most of us now mean by 'economic planning'. We use that term to indicate a principle of administration and not an inflexible budget of production

I, and other democratic socialists, have in mind when we advocate the practice of economic planning is the creation of an economic system in which:

(a) The final responsibility for taking economic decisions is transferred from the private company or group of shareholders to the representatives of the community sitting upon the Board of a Public Corporation - who are, in their turn, answerable to some Supreme Economic Authority dependent upon a Parliament freely elected by the people. (b) But that the economic system so administered need not be used to implement any 'plan' in the sense of a rigid programme of production arbitrarily determined. The Supreme Economic Authority need not be directed by Parliament to impose any programme of production and consumption upon the community on the contrary, the centrally directed economy can be, and should be instructed to adapt its programme to the changing wishes of the consuming public and the changing conditions of technical efficiency. There is no formal or logical contradiction between planning and pricing. It is perfectly possible for a centralised authority to order a price system to appear and to follow the guidance it necessarily gives. What we therefore have in mind is a new method of taking economic decisions, a new principle of economic administration, and not the imposition of any economic tyranny upon a free society.

"Professor
*Professor Hayek must be aware of the thought that has been given in recent years by economists who are also socialists to the methods by which a 'planned economy' could preserve conscious choice and make use of prices and co-ordinations to that end. If 'planning' means a method of economic administration, and not a comprehensive programme of economic activity, if 'economic planning' involves no 'economic plan' in Professor Hayek's sense, then all his arguments against 'planning' fall to the ground.*

*Nor is it open to Prof. Hayek to complain that this is a paradoxical use of terms, since the apostles of 'free enterprise' have continuously argued that their 'unplanned economy' is not, in any important sense, 'unplanned'.

*It is, of course, one of the greatest advantages of a 'planned economy', in my sense of the term, that it is possible to construct statistical budgets of production for long periods ahead.*

*Instead of Professor Mises' incorrect but logical argument, we are now offered the most dubious kind of psychological and political dogmatism by Professor Hayek. Professor Hayek, although he does not realise it, is really opposed to using reason and silence in social affair at all, if the 'mastery of social forces' could be secured only by the imposition of a dictatorial and comprehensive plan, Professor Hayek would be right. But if we contrast the principle of 'economic planning' as well democratic socialists now describe it, then he is plainly wrong.*
wrong. Both these principles are concerned with the administration of the scarce means of production. The difference between them is the presence or absence of conscious reason in the use of them. Professor Hayek rejects reason. We accept it. Freedom of enterprise can be defended as something desirable only if it leads to stable and perfect competition. The administrative principle of economic planning means necessarily the opposite of all this, and its successful practice would remove unnecessary ignorance as a source of poverty and economic frustration. 

Hayek fails to distinguish centralised administration from authoritative budgeting. And I think he has been led to do this because he has confused means with ends at this deeper level. The world of ends cannot be found by thought alone and Prof. Hayek must admit as much unless, indeed, he calls upon us to reject in despair the opportunities and responsibilities of full humanity. We can drive science out of economic life only by preferring instinct to reason and ignorance to knowledge.

"But surely the lesson of the historical comparison is exactly the opposite of the one that Professor Hayek seeks to draw. It shows that 'ideas' – in the sense of political doctrines and social policies – are not the sale, not perhaps the chief, causes of historical development and the formation of national character". According to Durbin, the essence of economic planning is a change in the direction of economic responsibility. It is not the preparation of a cut and dried programme. Eddy

65. Ibid. pp. 92-105.
Eddy Asirvatham observes: "C.E.M. Joad in his *Liberty* today calls attention to the valuable truth that in our eagerness for economic justice we should not sacrifice political liberty as some socialists are apt to do. He concedes that political liberty is valueless without economic security but holds at the same time that 'political liberty is a good in and for itself'. He argues that 'the fact that economic security is a good should not cause us to forget that political liberty is also a good or wilfully to jettison the latter in our natural disappointment at having failed to secure the former'." 64

According to Sir Ernest Barker, a precondition of the successful operation of democracy is that there should be a sufficient level of material existence. In his opinion, Democracy and Planning can go together. In other words, one may plead for planning, and may uphold democracy at the same time. Economic plans in the economic sphere may be adopted along with the retention of the democratic process in the political sphere. It must be noted that democracy in politics is a much needed corrective for planning in economics. Therefore, Barker argues: "There must, in our days, be large scale planning of production and distribution; there must be a previous calculation, and a deliberate manipulation, of the various factors concerned, both material and human. ........................................

......... Whether, therefore, the State is itself a business enterprise, or whether enterprises exist separately and independently - whether there is socialism, or whether

64. E. Asirvatham; Political Theory; Fifth Edition, p.141. (Page - 72 of Joad's Book)
There is capitalism - there will be planning, calculation, manipulation and management. In the Union of Socialist Soviet Republics and in the United States of America the same system of mechanization and rationalization exists - so far as the economic process is concerned. In either case the process asserts its just autonomy. If it is to function for its own purpose, there is a method by which it must function. It must proceed by way of planning and management ......... There is no escaping from the necessity of planning in the process of economics. There has been no escaping for many years past; and to-day the necessity is an even larger and still more clear-cut necessity, because it is the obvious necessity of large scale planning for a new and large scale world. But the necessity exists within the economic process; and the economic is not the only process. There is also the political process; and the political process may have indeed in the democratic form of State it actually has another method. The method of the political process is not necessarily wrong because it differs from that of the economic process; nor is the old method of free-discussion and free-adjustment in the one sphere invalidated by the growing vogue of a new method of planning and management in the other. On the contrary, the very fact of its difference from the method of the economic process may be the essential justification of the method of the political process. While the State may acknowledge the necessity for the planning of the economic process, and may even help the agents of the process to form and to execute
execute plans, it may still claim that it is, in itself, and in the nature of its own process, the corrective of such planning". 65

Barker has also detailed his study of the nature of this political process. He says: "The essence of the political mode of action, in the democratic State, is that each man counts as a person, and not as an instrument; that each, as a person or living spirit, advances claims of right, and makes acknowledgements of duty, in the spiritual field of personal relations; and that an adjustment is attained in this field which is self-adjustment, and, as such, consistent with personal autonomy. We may doubt, in other words, whether man as an economic agent can ever have the full dignity to which he may aspire as a political being and a citizen. But such doubts only make it the more imperative that we should cling to the essence of the political mode within its own field and for its own purposes, and should cling to it at its highest reach and the power which it attains in the democratic State. Here is the great corrective and complement. In some sphere of our lives we may be scientifically managed, we may be units in a plan; we may be the subjects of a technocracy. In another we remain ourselves: we cherish the idea and practice of self-adjustment: we follow, in the midst of all the revolving uniformities of the machines, a vital and vitalising principle.

principle of free discussion and voluntary agreement.

"If the political process must be a complement to the economic in the sense of being a corrective, it must also be a complement in another sense. So far as economics falls short of its own aim—so far as its agents, acting in their own sphere and by their own lights, fail to plan and to manage their own system adequately—the democratic State, like all other forms of State, has to make its contribution and to add its supplement". 66

Barker argues emphatically that the sacrifice of individual freedom or private initiative or individual spontaneity needed to be made in the economic sphere for the sake of planning requires to be compensated by the strengthening and fortification of freedom in the domain of politics. And this can be achieved only in a democratic State. It needs be stressed that the political process of self-determination and self-adjustment assured under a democratic set up is "the great corrective and complement" for the economic process of regimentation linked with economic planning. The foregoing observations of Ernest Barker are pregnant with a deep significance. In his view, Democracy is compatible with planning, and it is also a necessary complement of, and corrective for, the economic process of planning. India's attempt to carry out planning in a democratic State, is, therefore, definitely a move or step in the right direction. Ernest Barker is also in favour of economic planning. For him

66. Ibid: pp. 244-245.
him, planning is not incompatible with democracy: "The end or aim of the democratic State demands a constant and complicated intervention, above all in the sphere of economics. To introduce the spirit and method of liberty into the system of economics - not for employers only, but also for workers; not for employers and workers only, but also for others who are also concerned - involves an interference with the natural order which is perhaps greater than any other object could involve. It is comparatively simple to intervene in the system of economics with a view to securing the maximum production of national wealth; or the maximum insurance of national power or national independence. It is a more complicated matter to intervene in the system with the object of securing the maximum energy of industrial freedom for all alike, without any respect for persons.

"Intervention with the 'natural' economic order, and the planning of an artificial (and higher) system of economic order, are thus compatible with democracy, and indeed are dictated to it by the essence of its end or aim, when once that aim is seen and applied in the full width of its range." 67 He further argues:

"And the idea of planning leads to the idea of scientific government, acting on the basis of a scientific survey, and

and proceeding by a scientific scheme which emerges from the survey. 68

A democracy cannot make a complete and thorough going plan for its future. 70

There are limits to the length to which planning can go in the democratic State. But there is nothing in the nature of such a State to prevent some measure of planning. And indeed some measure of planning is inherent in its nature. 69

"...the concern of State is less a concern in actual planning than in the constructive and operative criticism of planning. In the field of economics the State is the sovereign critic. 71 If the participation of the State in planning thus consists (generally, or at any rate mainly) in the function of constructive criticism, there is obviously no gulf or incompatibility between democracy and planning. 70 "...... Planning is not a franchise or immunity which lies outside the jurisdiction of free discussion and voluntary compromise. 71 If we accept the basic idea of democracy, we have to believe that all economic planning must be compatible with the liberty of a general society of free minds. 71

Professor Herman Finer, another great advocate of economic planning, does not accept the thesis of Professor Hayek for a number of reasons. Firstly, he does not support total planning because of the fact that total planning will prove

68. Ibid p.228
70. Ibid pp.256-258
69. Ibid p.249
71. Ibid p.260
prove reprehensible to the people and legislature (in a democratic country). In the second place, taking into consideration the wishes and aspirations of the people and legislature, it is quite feasible to delimit planning exclusively to certain fields and sectors. Thirdly, Professor Herman Finer thinks: "The extent and type of planning to be found in any country is an outgrowth of its peculiar institutions and climate of opinions". 72 This is, indeed, a very pertinent and significant point. It needs hardly be mentioned that planning resulted in certain consequences in Nazi Germany. The ideology of Nazi Germany may not necessarily be repeated in other countries. It is rather risky to make any generalisation in respect of economic planning. The example of India may be cited to prove the said contention. The democratic planning of India is in a class by itself. Her success, as and when attained, will be a signal triumph of the democratic cause itself.

Democracy does not imply laissez-faire. The remarkable development of democracy in the first half of the nineteenth century coincided with and was buttressed by the ascendancy of the philosophy of Individualism. At a later period, however, the laissez-faire system was gradually undermined, and there followed a progressive enlargements of the scope of State's activity. Sir Ernest Barker has, therefore, remarked that there is

72. Herman Finer: Theory and Practice of Modern Government, (1956); p.27.
is no causal inter-connection or indissoluble link between laissez faire and democracy.

India's Five Year Plans are stupendous examples of democratic planning. The plans amply bear out that Democracy can plan ambitiously and successfully. They demonstrate further that planned development can lead a country to a better realisation of democratic ideals and goals. It goes without saying that planning makes possible the quickened pace of growth. It also succeeds in augmenting the economic standard - 'the sufficient level of material existence' and bringing it soon within the reach of the people. Due to planning, educational standards also tend improved and be upgraded. This is how firm foundations are laid for the smooth functioning of democracy.

In India, it is, therefore, seen that there is no imposition of a programme from above. In this connection, the makers of plans in India observe: "Planning in a democratic State is a social process in which, in some part, every citizen should have the opportunity to participate. To set the pattern of future development is a task of such magnitude and significance that it should embody the impact of public opinion and the needs of the community. We have, therefore, felt it necessary before presenting our proposals in complete detail, to offer a Draft Outline of the Plan. The Draft is intended to
The mode of approach of planning in India is totally different. Before the finalisation of any plan in India, the public at large are taken into full confidence and consulted properly. Here there is no room for any arbitrary imposition of choice of ends or priorities. In India, "The central objective of planning is to create conditions in which living standards are reasonably high and all citizens, men and women have full and equal opportunity for growth and service. We have not only to build up a big productive machine - though this is no doubt a necessary condition of development - we have at the same time to improve health, sanitation and education and create social conditions for vigorous cultural advance". 74

If we mean to pursue the equalitarian ideal that is implicit in democracy we are to make arrangements for the economic transformation of economic relationships between different sections of the community. Gross economic inequalities are found to exist in many advanced countries of the world. Lord Keynes, for instance, invented his new theory of State-controlled economy as a corrective for the deficiencies of the capitalist system. Durbin observes with due emphasis: "The main evil from which we suffer and the main barrier to social progress is the disgraceful inequality in the distribution of income and properly that we still do tolerate". 75

73 * First Five Year Plan of India (1952); p.2
74 * Ibid; p.29.
75 * E.F.M. Durbin; op. cit; p.21.
The realisation of the equalitarian ideal does not, however, call for a wholesale transformation of the economic system by violent means - the change of democracy in this process or democracy or the introduction of some type of dictatorship in its place. The democrat, too, believes in the equalitarian ideal but thinks that the ideal has to be realised on the economic plane along with its political counterpart. He holds to the belief, that the democratic set up should be kept in tact in the process of realisation of this equalitarian goal. He does not believe in either the efficacy or necessity of violent revolution or dictatorship for the purpose. To remodel the social structure on equalitarian basis, the State shall have to take a big role and some positive initiative. One thing is essential, however, that the logic of democratic process should be appreciated by all people, specially by the privileged section of the community. India's plan-makers, it needs be pinpointed, have rejected the Marxist approach to planning though they have declared emphatically in favour of equalitarianism. Their views expressed in this regard, as set forth in the First Five Year Plan, are noteworthy: "It is possible to have a plan based on regimentation and on immediate measures for levelling down in the hope ultimately of being able to level up. It is possible to take the view that mass enthusiasm cannot be created except on the basis of reprisals against those classes which have come to be associated in the public mind with the inequalities and deficiencies of the old order. But the basic premise of democratic planning is that
that society can develop as an integral whole and that the
position which particular classes occupy at any given time
- a product of various historical forces for which no
individual or class as such can be held responsible - can
be altered without reliance on class hatreds or the use
of violence. The need is to secure that the change is
effected quickly and it is the positive duty of the State
to promote this through all measures at its command. The
success of such planning depends on the classes in positions
of power and privilege respecting the democratic system
and appreciating the rapid changes it calls for. 76 In
the light of this objective, the First Five Year Plan later
on crystallised into the goal of a socialist pattern of
society. 77 & 78 The significance of the socialist pattern of
society has been highlighted in the Second Five Year Plan
of India: "the basic criterion for determining the lives
of advance must not be private profit but social gain, and
that the pattern of development and the structure of socio-
economic relations should be so planned that they result
not only in appreciable increases in national income and
employment but also in greater equality in incomes and
wealth." 77 It also stated: "The benefits of economic
development must accrue more and more to the relatively
less privileged classes of society, and there should be
a progressive reduction of the concentration of incomes,
wealth and economic power." 78 All these constitute
an emphatic declaration to the effect that milieu should be

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76. First Five Year Plan; p.31.
77 & 78. The Second Five Year Plan; p.22.
be created in which the small man is raised in economic and social status, so that he might be afforded opportunities to put in his best.

Distributive justice in the economic sphere of India has, thus, received due emphasis. The reorientation of the system of investment and production has also been stressed. There is a scheme for the progressive expansion of the public sector of the economy as well. The mixed economy system is prevalent in India. The public sector of the productive field is found to co-exist with the private. The important role of the private sector receives due recognition. The plan makers of India state: "The private sector has to play its part within the frame work of the comprehensive plan accepted by the community". 79 The relative importance of both the sectors (public and private) in the planned economy of India is, thus, visualised: "In a growing economy which gets increasingly diversified there is scope for both the public and the private sector to expand simultaneously, but it is inevitable, if development is to proceed at the pace envisaged and to contribute effectively to the attainment of the larger social end in view, that the public sector must grow not only absolutely but also relatively to the private sector". 80 The relative importance of the sectors in the actual field of production can better be appreciated in terms of what is described in the Third Five Year Plan of India: "In the generation and distribution of

79. Ibid; pp.22-23.
80. The Second Five Year Plan (1956); p.23.
of electric power, the public sector has now the principal share and is being rapidly enlarged. Its share in transport has also steadily increased. As compared to 1950-1951, by the end of the Third Plan, the contribution of the public sector will increase from less than 2 per cent to nearly a fourth in organised manufacturing industries and from less than a tenth to over a third in mineral production.

Regarding the private sector it was stated: "...the major aim of policy is to ensure broad-based ownership in industry, diffusion of enterprise and liberal facilities for new entrants, and the growth of co-operative organisations." In the Fourth Plan of India, the Planning Commission has raised the public sector outlay by 10 per cent after making an equivalent reduction in the resources assumed earlier as available for the private sector. In the public sector the planned outlay is for Rs. 15,902 crores during the Fourth Plan period. The private sector has been dwarfed by granting it only 30% of the total 4th Plan outlay.

The revised Fourth Plan outlay is Rs. 24,882 crores. This, obviously, speaks for the dominant role assigned to the public sector, but the private sector is also allowed to play its due role here. It is, however, the long-felt desire of the plan-makers of India that a dominant role should be played by her public sector. The Fourth Plan's target for the growth rate is an aggregate of 5.5%. The public sector is to play a major role in the Fourth Plan of India because according to the plan makers, the public sector would make an attempt to remove basic...

81. Third Five Year Plan; p.14.
basic deficiencies in the economic structure. It will also reduce "the scope for accumulation of wealth and large incomes in private hands". All these steps would go a long way in strengthening the democratic base of the Indian economic structure.

India presents a picture of the full-fledged operation of the price mechanism and market economy. There is little or no interference with the pricing system or the market mechanism. The pricing system in India operates freely in regard to the final products as well as the factors of production. The public sector, too, pursues the rules of the game operating in the free market economy. Public sector products are priced on the basis of cost-profit calculation worked out during the time of the pricing of public sector products. In this context, the remarks made in the First Plan of India deserve to be pointed out: "For the private sector, the prevailing price relationships are the prime factor in determining resource allocations. In the public sector, the direction of investment need not always and necessarily be guided by profit and loss calculus. Nevertheless, the relation between costs and returns even in the public sector has to be judged, at least as a first approximation, in terms of market prices." The objectives of the Five Year Plans of India stress on the Government's right to regulate prices through fiscal and monetary measures and,

84. First Five Year Plan, p.36.
and, if necessary, even through direct controls. Direct physical controls, though existent in India, are used to the minimum extent possible. That the profits occurring from the public undertakings in India are being utilised increasingly for investment under the Five Year Plans should be duly recognized. The whole system is, thus, calculated to uphold democratic traditions and values and avoid economic or political regimentation. Examples of the Five Year Plans in India have been cited in detail to refute Professor Hayek's thesis that economic planning leads to regimentation and serfdom.

Karl Mannheim, in his book *Freedom, Power And Democratic Planning*, has advanced arguments in favour of democratic planning. Erich Fromm, on the other hand, in his book *The Fear Of Freedom*, remarks that a planned economy may lead to continued manipulation of the people. At the sametime in the fourth chapter of his said book argues that in modern industrial societies, the anarchic conditions of unplanned economy lead to increasing isolation and powerlessness of the citizen. Besides, there is gross social injustice which hinders spontaneous integration of the individual with the political society. In other words, comprehensive planning is of paramount importance. This will introduce the elements of stability and justice in the society. There must be planning from the top combined with active participation from

from below. According to Erich Fromm, freedom of man, in the positive sense, involves "the realisation of his individual self; that is, the expression of his intellectual, emotional and sensuous potentialities". 86 According to Lippmann, 'the nemesis of the planned society' is the utter negation of civil liberty within the State". 87

J.M. Keynes is a supporter of the capitalist framework of society. But he has formulated certain policies which are akin to the theories of economic planning. Therefore, Dillard observes that the Keynesian theory closely approximates to the theory of economic planning. Keynes also supports State regulation in the greater interest of the society. His theory of economic development is nothing but an approximation to some form of economic planning. Besides, he is also remarkably democratic in attitude.

Harold J. Laski, a great democrat, supports State control or some sort of economic planning in the greater interest of the society. Therefore, S. Mookerjee observes: "A large room should be opened for the ingress of the social element in the industrial hierarchy. This presupposes State control of necessary goods and services, employment and dismissal of workers on a democratic basis and operation of economic activities under scientific supervision and the widest publicity. There is no entrepreneur in Laski's theory of civic minimum, as the skill

86. Ibid: Ch.IV.
87. Lippman: Planning - Vs - Democracy.
skill and foresight of all the leading managers will be used for introducing bigger social benefits.

"Laski now points out the improvements which are likely to follow if these changes take place. The great evil of inequality, the abuse of competition and such other gross disadvantages usually associated with capitalism are likely to go". 88 Thus, it is clear that Laski supports some form of economic planning though he is a great advocate of democracy. He proclaims the need for the eradication of the evils of capitalism. "According to Louis Fischer, Laski has got stuck up in the molasses of Marxist materialism. To Laski, the eliminations of the private businessmen and the private market are expected to bring about an ideal, free society". 89

"G.D.H. Cole, a guild socialist, thinks that functional representation is the real safeguard of liberty and rights. But Laski says that this will add to new complications. Laski agrees with Hamilton to the view that the raw materials of an adequate theory of Rights must be found in human nature. A system of Rights, moreover, hangs on the sociological basis of mutuality of interests.

"Liberty rests on Rights; for Liberty is the power to exercise Rights. Without Equality, Liberty and Rights cannot have any significance."

89. Ibid: 8,89.
"A negative definition of Liberty as absence of restraints is defective, because liberty cannot mean licence. Liberty can exist only in a social context. Therefore, the restraints on liberty must also be socially justifiable.

Economic liberty means provisions for security and assurance for a fair and decent standard of living. As a socialist, Laski suggests that without economic liberty, all types of liberty are insignificant. Economic liberty may best be provided when there is industrial Government on a democratic basis and when the economic principles like those of production and distribution are democratised.

The greatest danger to Liberty is the existence of privilege. It is privilege which divides the society and disturbs the social harmony or equilibrium.

Liberty, as a force, can only imply that society, through authorised agencies, should use so much force as is necessary to make Liberty effective." 90 We may state here Laski's view on Liberty: "By Liberty I mean the eager maintenance of that atmosphere in which men have the opportunity to be their best selves. Liberty, therefore, is a product of rights." 91 According to Laski, the reason for the decline of democracy is to be found mainly in the inability of democracy to translate its theories in the economic field.

Reading

90. Ibid; 100-104.
Reading Laski's Crisis in the Theory of the State in A Grammar of Politics, we know the distribution of economic power is in wide contrast to the distribution of political power. Production is made for profit. The common people demand for an increasing satisfaction of their material welfare. The main problem of democracy is economic. The democracy should be extended in the economic field. There should be the introduction of social control over production and distribution. Lloyd has argued: "Unless democracy justifies the belief that it is a form of Government under which men may live out their lives free from fear of want and oppression, unless it gives every man and woman the opportunity to realise freely whatever good there is in them, it will not survive". John Stuart Mill in his autobiography has written, the great problem of democracy "is how to unite the greatest liberty of action with a common ownership in the raw materials of the globe and an equal participation in the benefits of combined labour". Thus, it is amply borne out that Laski, Lloyd and other do not think that State control or economic planning will destroy or curtail freedom. On the contrary, if economic planning leads to economic liberty, it will bring about good to society. A planned economy can guarantee to a much greater degree the individual freedom. The maximum degree of political freedom can be attained in a society where there is arrangement for

92. Lloyd : Democracy and Its Rivals, p.45.
for providing maximum degree of economic welfare. In other words, Freedom or liberty is best realised in the enjoyment of certain positive opportunities needed for the development of personality. In fact, planning protects and maintains liberty or freedom.

Anup Chand Kapur has observed: "Whatever be the system of society no country can afford to do without planning."

"The most serious doubts concerning the planned economy revolve round the issue of liberty. Is it compatible with freedom? The U.S.S.R. is still to prove that its planned society can co-exist with the other fundamental liberties. The Stalin constitution grants the right to speech, press and assembly and other civil rights, but they must be consistent and in accordance with the socialist way of life. Vyshinsky makes this point clear. He says, 'In our State naturally, there is and can be no place for freedom of speech, press and so on for the foes of socialism'. In his discussion in Full Employment, Lord Beveridge stressed the compatibility of a planned society and the retention of fundamental freedoms. 'Britain', said Herbert Morrison in October, 1946, 'is the first great nation to attempt to combine large scale economic and social planning with a full measure of individual rights and liberty'. Planning is not incompatible with freedom. The true background of freedom has always been conformity rather than chaos."
chaos. But in our search for freedom we rely upon the traditional conformity which the liberal age had inherited from the old community culture of the Middle Ages. Such a concept of freedom is untenable now. Our search for freedom involves a search for a new conformity. And it is identification with other members of the society, collective responsibility and the necessity for possessing a common background for our attitude and behaviour. This can be achieved within the framework of free parliamentary institutions.

"The discussion on planning and freedom can best be summed up in the words of Professor Mannheim. He says, "While planlessness is anarchy and chaos, yet planning must not do violence to the spontaneous forces in society". Free parliamentary institutions provide a fuller scope for the expression of these spontaneous forces. But just as man must learn to live in peace with members of other States if he wants to survive, so he must learn to reconcile the essentials of his freedom with life in a planned society. The welfare of each is involved in the welfare of all. Freedom must be responsive to the social needs and there must be a careful balancing of social and individual interests.

"Our conclusions are now definite. There is no State which pursues the path of pure capitalism. Many of the policies adopted and pursued by the capitalist States are collectivists in their nature and extent. Such policies are not antagonistic to a democratic way.
of life, for democracy accepts man as a man and thrives on the trinity of liberty, equality and fraternity. We have enough experience to know that important sectors of the economy can be nationalised without causing any injury to the democratic process. There is also little reason to doubt that collectivism could be introduced into new areas without endangering the democratic system if it secures freedom from want and freedom from fear, the two basic principles of social justice. The measures required to carry such a programme may give to the Government important powers over the private sector, but there is no justification to regard them as a dangerous advance on 'the road to serfdom' so long as they are responsive to the needs of the community. "The Government of the new liberal society", Wilson says, 'will be economically and culturally creative'. Here democracy joins hands with pragmatic collectivism'.

It is said that planning will curtail liberty and will lead to regimentation. Be it noted in this connection that liberty cannot be absolute, unconditional, and unregulated. Barker says: "The truth that everyman ought to be free has for its underside the complementary and consequential truth that no man can be absolutely free". Edmund Burke observes: "......... abstract liberty, like other mere abstractions, is not to be found". Liberty, in all circumstances, must

must be rationed. Laski, too, remarks: "Liberty involves in its nature restraints." 93

The successful working of democracy needs a high level of mental conditions, political intelligence, a keen sense of public responsibility, and a community consciousness. The development of such conditions, be it pointed out, requires a special type of socio-economic environment. If the society of a democratic country is divided into the rich and the poor, these mental faculties cannot grow. Therefore, for the success of democracy economic structure has to be reorganised through socialisation of the means of production. The principle of equality in the economic sphere is also to be strictly adhered to also. In Laski's view, without socialism there cannot be democracy. Therefore, planning is needed to make the foundation of democracy strong. In a democratic society of unequals, gross inequalities make conflict inherent in its foundations. This type of democratic society cannot bring about that unity of interest among its citizens, upon which they can march forward towards the attainment of kindred ideals and principles. The decline of democracy owes to its inability to put its principles into practice in the economic sphere. To curb the declining tendency of democracy the planning method is to be adopted. Economic equality demands that the social forces should be so arranged and reorganised that each citizen can get adequate equal facility and opportunity to develop his

his personality. According to Barker, the theory of liberty means that the State treats each citizen as free, "capable of developing his own capacities in his own way, and therefore capable of enjoying and exercising the rights which are the conditions of such development". 96 Liberty becomes meaningful when a citizen is not overwhelmed by the problem of sheer existence. Therefore, Laski says in Liberty in the Modern State:
"Economic sufficiency and leisure for thought, these are the primary conditions of the freeman. But economic sufficiency comes when the productive capacity of the society is so organised that free man has continuous access to these two conditions". 97

Walter Lippman observes that "a planned production to meet a free market is a contradiction in terms and is meaningless as a square circle. There is no way by which the objectives of a planned economy can be made to depend upon popular decision. They must be imposed by an oligarchy of some sort, and that oligarchy must, if the plan is to be carried through, be irresponsible in matters of policy. Not only is it impossible for the people to control the plan, but, what is more, the planners must control the people". 98

This viewpoint is not widely acceptable. According to Lippmann, in determining the total social demand the makers of plan must determine individual demand. But

this argument is wrong. There is one axiom of statistics that the individual items making up the aggregate may be indeterminate or unstable yet a determinate and stable quantitative aggregate can exist. So, on the basis of certain basic data, the central plan-makers can plan production to "meet a free consumers" demand. The consumer expenditure pattern may be changed due to changes in incomes and in tastes. It may also be changed due to the introduction of new commodities or to the invention of new and cheaper ways of producing existing commodities. It may be noted that these changes are gradual and it can be planned for in advance according to established trends. Therefore, planning has no motive or intention of destroying liberty of the consumers. In a planned society citizens enjoy a liberty or a freedom which is more rational and more real. There is a freedom in a planned society which helps men to decide everything socially. The maximum degree of political freedom can be obtained only when the maximum degree of economic welfare has been provided for all. Pandit Jawaharlal Nehru in his inaugural speech at the Seminar on "Parliamentary Democracy" said: "......... a vote by itself does not represent very much to a person who is down and out, to a person, let us say, who is starving or hungry. Political democracy, by itself, is not enough except that it may be used to obtain a gradually increasing measure of economic democracy, equality and the spread of good things of life to others and removal of gross inequalities". 98

Nehru

Nehru told about economic justice. It can be secured by planning. In sum, justice in every sphere is the parent of freedom. Friedmann argues: "The trend towards the planned society and the social-welfare State is to-day world-wide. In all countries, regardless of their political complexion, people demand more and more security against unemployment through State assistance, public works, subsidies and other means; they demand social services such as health and pensions insurance; they demand free public education and a reduction in the grossest inequalities of wealth by graded taxation. Nor will they tolerate slum dwellings or insanitary factories. Friedmann indirectly supports planning for without planning these conditions cannot be fulfilled. Friedmann adds further: "But Socialists regard a universal free State education, or national health services, as essential conditions of a free and full development of personality which equality of political rights cannot guarantee." The foundation of social democracy to-day is strong because it is synonymous with planning. This is why Friedmann argues: "The reason for the relative strength of social Democracy in Europe is that, in some countries at least, it has reached the stage of actual Government and achievement of a socialist programme. especially during the last war, the belief of Social Democracy became more firmly

100 Friedmann: op. cit., p. 63.
101 Ibid., pp. 63-64.
firmly established that Socialism could and should be achieved in partnership with, and not in opposition to, political liberty. That liberty which in the early days of the Industrial Revolution was a sham for the average worker has now acquired meaning and reality. In Britain a Labour Government was, from 1945 to 1951, able to carry out, through its Parliamentary majority, a programme of partial Socialism. Its most important feature has been a series of gigantic experiments in public enterprises - affecting coal, electricity, gas, transport and steel - and the introduction of comprehensive national insurance scheme and health services. But the answer to the question of whether partial socialization has destroyed political liberty can now be given with some confidence. In the critical years of post-war tension political liberty in Social-Democratic Britain was far less threatened than in the anti-Socialist United States. 102.

Democracy is vitally linked up with freedom. But the freedom concept undergoes changes with the march of time and in changing social circumstances. Greek political philosophers had their own notion of freedom which is not endorsed to-day. Freedom is now a total concept. It veers round the modern man's diverse needs for self-development. Freedom is also essential for the simultaneous recognition of man's capacity to realize the conditions of life needed for the development.

102. Ibid; pp.78-79.
development of his personality. Democracy is a way of
life that seeks to affirm faith in the dignity of man as
man. It may also be termed as a mode of administration.
It helps to create the necessary conditions towards the
attainment of this goal. Democracy consists in a
rational compromise of different views, a tolerance to-
wards opposition, a scope for free discussion etc. Other
elements of democracy may not be permanent, but 31\nu\nvalues are so. It has already been discussed that 'Professor
Hayek has missed the road to freedom'. There is no
causal relationship between the adoption of planning
method and the destruction of democracy. Planning does
not always cover any comprehensive scheme of regimen-
tation and regulation. Its' targets can be changed with the
changing economic and political circumstances. A care-
ful study of history bears out that planning is not incom-
patible with democracy, as in U.K., India, and other
countries. It needs hardly be stressed that to produce
better type of intelligent citizens, the sole way is to
take to deliberate planning. Consumer's sovereignty
is not lost in a planned economy. Controls are not always
detrimental or inimical to freedom. Rights to liberty
and property are not permanent in character. They are
subject to modifications in changing social conditions.
These rights are social concepts, and, as such, they can
be limited like any other rights.

Although planning is not a panacea, it can bring
about social, political and economic development in a
country.
country to a large extent and within a short period of time. President Roosevelt, therefore, chalked out the programme of 'New-Deal' for America. If the democratic ideal be adhered to, planning cannot go into the bad path of regimentation but will help build up the socio economic foundation of a democratic way of life. It is only when planning owns the right of collective bargaining of the employees and makes the State the sole-employer that it becomes incompatible with democracy. Planning is ipso facto an indispensable aid to the successful operation of democracy. In the opinion of Mannheim, the social, economic, and political problems today demand that every State must plan for plenty, for social justice, for freedom, for cultural balance, for bringing about a social transformation conducive to the growth, development, and blossoming of human personalities. Democracy and Planning must travel pari passu. If its possibility be called in question, it will simply reveal one's lack of faith in human inventiveness.

According to Aristotle, economic prosperity is the necessary material base on which a secure democratic structure of social and political life can be erected. Freedom is for all both an end and an instrument. Therefore, in society there exists some elbow room which enables its individual members to make their own choices and make experiments with themselves.
themselves. Members of a society or State are free when the operation of its institutions affords them a mood of creative hope that spurs them on to find a significant and exhilarating fulfilment. This is what freedom really stands for. The economic planning is to be tolerated and welcomed so long as it helps play and secure the material base of a life of freedom. Without planning no real freedom is possible. Thus, the question of freedom in a planned economy is more of a practical than a merely theoretical nature. The character, extent, etc., of freedom vary according to the kind and form of planning adopted. To be more practical, freedom should be the end. Planning is however, mostly a technique for the sole purpose of attaining an economic end. The attainment of the economic end or goal should constitute a part of the attainment of the goal of freedom. This is, in brief, the sine qua non of the end or goal of the plan-makers.

It is hoped that the exhaustive discussion in the present chapter on the politics of planning will lead one on to the conclusion that planning does not mean regimentation. It means that every effort is to be made, keeping the ideal of democracy in view, to set up a humane order. Such an order will create a true hierarchy of values, utilise money in the service of production, and production in the service of mankind.