Our
Moral Heritage

F. A. Hayek
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Foreword

The Heritage Lecture that follows is at the frontier of a development in Friedrich Hayek's thinking, which has occupied him increasingly since his publication of The Constitution of Liberty in 1960.

In that book, he raised the point (which was well known to Adam Smith and some of his eighteenth-century contemporaries) that a complex social order can arise and function without having to be deliberately designed or consciously planned. If left to their own devices, human beings are able to cooperate quite adequately, without the direction of any central authority. By a process of market exchange, individuals promote their own interests by trading the goods or services that they own for others that they value more highly. But both sides benefit from the bargain; neither would bother to trade unless they enjoyed some advantage from it. And so it is that each member of such a trading society, in pursuing his own self-interest, unwittingly promotes the interests of others, even though that may not have been his intention.

In the large social orders of today, encompassing many millions of individuals, the network of trading relationships spreads wide. Through the medium of money, and in large, impersonal markets, the economic activity that benefits an individual also benefits the distant multitude of others whom he does not even know. Nor does he have to know or even agree with the purposes of the others; just by trading with them he unknowingly helps them and promotes their aims.

Hayek therefore sees the market order as a way of reconciling human needs and purposes, however divergent these might be. There is no need to agree on common aims, no need to plan our activities to promote common goals; it happens automatically through the process of the market. And yet he is dismayed that we often cannot believe our own good fortune in having stumbled across this mechanism. We suppose that our deliberate planning can do better than nature, and must have been responsible for so effective a system.

In his essays in the 1967 Studies in Philosophy, Politics and Economics, Hayek suggested that it was in fact a misunderstanding about what the word "natural" means that prompts us to intervene
in the social order. For the word “natural” suggests something which is necessarily wild, disorderly, unkempt, and unplanned. And since human society is clearly regular and orderly, we suppose that it cannot be a mere product of nature, but must have been deliberately constructed by human beings, and is therefore a fitting object for further manipulation.

Yet this disastrously ignores the fact that there are many things which are “natural” in the sense that they have never been designed by human beings, but which are nevertheless orderly and regular. The growth of a crystal, the regular motion of the solar system, even the flight pattern of migrating geese are all examples of unplanned orders: and, says Hayek, the social and economic order is another. In his Nobel Lecture and in other essays reprinted in the 1978 New Studies, he reminds us emphatically that, while the social order is a natural phenomenon, it is nevertheless so vast in scope and so complex in operation that the human mind cannot even understand its workings, much less hope to improve upon them. To suppose that our limited intelligence can do better is, in the title of Hayek’s forthcoming critique of socialism, a Fatal Conceit.

Because we do not understand the social order, and because we have systematically failed (as we must) to improve it, Hayek’s conservative prescription is to interfere as little as possible. And there are other parts of Hayek’s more recent thought that support this conservative view. In his 1973 Rules and Order, the first volume of the Law, Legislation and Liberty trilogy, he explains in detail what exactly a social “order” is. In essence, it means that the individuals who make up the society are themselves orderly: they behave in roughly systematic ways, following certain patterns of action and avoiding other types of behavior. These are what Hayek calls the “rules” of human action, although they run the gamut from almost unalterable basic instincts, through deep-seated traditions and notions of justice, to more temporary and local customs.

The central question that has occupied his recent thought, and the one which opens this lecture, is how this complex order, made possible by such a subtle and integrated collection of rules of action, could ever have arisen. Men certainly did not create the rules deliberately: we are not intelligent enough for that. They act to our benefit, but they are far too complex for us to understand or to manipulate successfully. And in a 1978 presentation on “The Three Sources of Human Values,” incorporated a year later in volume three of his trilogy, The Political Order of a Free People, he advances his own view of how the complex structures of modern soci-
ety evolved slowly from the very different kind of structure of the primitive human group.

Hayek reiterates the theme in this lecture. We can imagine the hunter-gatherer groups in which primitive men probably lived until only a few thousand years ago, and in which some primitive communities still live. They were small groups, where each member was known to the others; where common ends could be agreed upon; and where a strong family headman could easily allocate work among the members of the group and ensure that they were rewarded in ways commonly accepted as being fair. The extended length of time that human beings spent in such societies caused these methods and values to become deeply ingrained in our instincts.

But this essentially collectivist organization cannot work beyond the limits of the small group. It requires that all members of the society should be known to each other and that they can agree on common ends and methods. Hayek argues that the peoples who were able to acquire new restraints on their ingrained instincts and who stumbled on new ways of organizing themselves were better able to grow in numbers and to spread. Each step they took from the tribal society further increased their numbers and spread their new morality more widely. They did not design their new social order, nor did they realize that it helped them to spread; it simply grew and became more prevalent because those who adopted it became more likely to survive and prosper.

What, then, were the essential ingredients of this new morality that enabled human beings to spread more effectively? The major ones, says Hayek, are the institutions of private property, of the family, and of honesty. The reason why these traditional institutions and their associated values are so common is simply that they enable their practitioners to survive better and to become more common, not that they were consciously chosen. Quite the contrary: they were often bolstered up not for rational reasons but by thoroughly irrational superstitions and religions.

The American conservative reader may be somewhat shocked by Hayek's suggestion in this lecture that religions themselves evolve, with only those surviving that promote honesty, property, the family, and other values important to the spread of mankind. But such a reader should perhaps take heart by reflecting that even the most solidly religious European conservative has little difficulty in identifying the processes of biological and cultural evolution with the working out of the Creator's purpose. Indeed, we should be grate-
ful to Hayek for showing in modern terms that traditional values, often labeled as "blind conservatism," do have an essential role in preserving society and its members. Of course, Hayek goes on, moral systems which do not give regard to honesty, property, or the family are occasionally put forward; but they never survive for long. Communism is one such code, now probably in its declining years.

Why should property and honesty, in particular, be so conducive to the spread of mankind? Hayek's lecture shows that private property gives rise to market exchange and to the division of labor. This allows us to produce what we need more efficiently, harnessing the gains of specialization. It allows us to develop new skills and to make use of more information in satisfying our needs. And this increases what we can produce and allows us to sustain a still larger population. Nearly all of the world's current population is utterly dependent on the greater efficiency of the market economy in producing their material needs.

Hayek believes that we have reached a stage where most of mankind, and certainly its poorer members, would not even be alive without the undoubted benefits of the market order. The greatest threat to humanity is therefore the conceit of supposing that we can improve on what nature has taken so long to build up; that we can apply the comfortable instinctive socialism of the primitive group without destroying those very benefits that the extended modern economic order has made possible. That would, in the event, turn out to be a fatal conceit.

Dr. Eamonn Butler*
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Introduction

Tonight I have the honor of introducing one of the most distinguished scholars in the world today, Professor Friedrich Hayek.

Professor Hayek was born in Vienna, Austria, in 1899, and first visited the United States in 1923. He has visited the United States regularly since then. On this occasion, we are particularly pleased that he is in the United States as the Distinguished Fellow of The Heritage Foundation.

Professor Hayek began his studies at the University of Vienna, and earned doctorates there and at the University of London. His honorary degrees come from universities in Austria, Japan, the United States, Guatemala, and Argentina.

He has taught at the universities of Vienna, Chicago, Salzburg, and Freiburg, and the London School of Economics. A full listing of Professor Hayek's distinctions and awards would be very time-consuming. Suffice it to say, he has been decorated by the governments of Austria and the Federal Republic of Germany; he is a Fellow of the British Academy, and in 1974 won the Nobel Prize in Economic Science.

A full list of publications would also be very lengthy. Perhaps the most familiar are *The Road to Serfdom* and *The Constitution of Liberty*. Since Dr. Hayek is a guest on our shores, let me note in passing that *The Constitution of Liberty* has been dedicated to "the new civilization that is growing in America." He is also the author of *The Counter-Revolution in Science, Law, Legislation and Liberty* (in three volumes) and a forthcoming work entitled *The Fatal Conceit*. It would be difficult to exaggerate the importance of Professor Hayek to those who study economics and to those who cherish the cause of liberty.

Perhaps one anecdote will help put his work in context. Some 35 years ago, in a conversation with John Maynard Keynes, Hayek asked whether Keynes were worried about the economic prescriptions of his disciples. Those disciples, Hayek continued, were distorting the views of Keynes himself, in a fashion that would inevitably lead to a persistent inflationary government. Keynes agreed that the problem was a severe one, and apparently promised to speak to his students about it. Unfortunately, one month later Keynes was dead.
So today, alas, we live in the inflationary epoch that Hayek predicted and that Keynes's disciples generated so many years ago.

My acquaintance with Professor Hayek comes mainly through my membership in the Mont Pelerin Society, an international organization of scholars which he founded in 1947, and which he continues to serve as Honorary President. At the meetings of the Mont Pelerin Society, I have had the opportunity to see the constant development and evolution of his ideas.

The range of his scholarly interests is well illustrated by his schedule over the last several weeks. He came to Washington from Caracas, Venezuela, where he was simultaneously participating in two conferences, one on evolution, the other on international banking. Last week he gave the keynote address to our conference on constitutional economics, then hurried to New York to present a paper at a conference about the philosophy of his friend, Sir Karl Popper. Tonight, Professor Hayek will be speaking on the topic Our Moral Heritage.

I emphasize the steady evolution of Professor Hayek's thoughts. If any of you have not heard or read Professor Hayek's work in recent years, you may be somewhat surprised by his remarks. But I will leave to you that pleasure.

Dr. Edwin J. Feulner, Jr.
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Our Moral Heritage*

Dr. Feulner, ladies and gentlemen, I hope that you will accept it as a compliment if I use this opportunity to try out on you a new approach to a subject that has become my main interest. What I am going to put to you is a new version of what is essentially the same argument I have used for some time, but (I rather hope) a more convincing and more persuasive version.

The Extended Order of Human Cooperation Is Due to Restraints on Natural Instincts

What I am going to discuss is the problem of how what I call the extended order of human cooperation ever arose. I used to call it the “extended society,” a term that is somewhat similar to the descriptions, the “Open Society,” or the “Great Society.” But I have come to the conclusion that the term “society” itself is a misleading expression, an attempt to persuade us that this great order of our activities is due to our instincts toward our immediate fellows. The term “society” is really a misnomer, because in contrast to what our instincts tell us to do, what I call the extended order of human action is due to our gradually learning to submit to what I can only describe as restraints on our instincts.

Because they are acquired, we very much dislike, and even hate, those restraints. There is a great conflict between, on the one hand, the innate instincts which we acquired living in the small hunter-gatherer group where everybody knew the same things, shared the same ends, and knew the same limited group of people; and on the other hand, the new kinds of attitudes which we never deliberately chose and never understood, but which enabled us to form an order far extending the range of our sensory perceptions.

I sometimes like to say—and I think this is more significant than a mere simile usually is—that our learning a traditional morality, which largely involved restraining our inherited instincts, is a step in evolution as important as the addition of the sense of vision to the sense of touch. There was a time when animal organisms were possessed only of a sense of touch, and were, of consequence, aware

*Professor Hayek spoke at the University Club, Washington, D.C., on November 29, 1982.
only of what happened in their immediate neighborhood. And then, perhaps a hundred million years ago, they acquired the sense of vision and became aware of what happened at a distance.

Now, we too have acquired a further sense, what psychologists would now call an extrasomatic sense, not built onto our physiology, but allowing us to adapt ourselves to events that happen far beyond our vision. We are living in a society which exists only because we are capable of serving people whom we do not know, and even of whose existence we are ignorant; and we in turn constantly live on the services of other people of whom we know nothing.

Adam Smith was the first to perceive this state of affairs, that we have found a method of creating an order of human cooperation which far exceeds the limits of our knowledge. We are led to do things by circumstances of which we are largely unaware. We do not know the needs which we satisfy, nor do we know the sources of the things which we get. We stand in an enormous framework into which we fit ourselves by obeying certain rules of conduct that we have never made and never understood, but which have their reason. For those groups who happened to fall on these rules of conduct prospered and multiplied; while other groups, who tried other things, failed.

**Morality Is Not the Product of Intelligence**

In this I have been led, by a very painful process, gradually to reject what in my youth I regarded as the latest insight, and what even my great master, Ludwig von Mises, made the basis of his philosophy: the utilitarian explanation of ethics.

Most of us have been brought up with the conception that man was intelligent enough to discover what habits of action were more effective than others; and because he understood how he served his needs best, he gradually accepted such institutions as private property, the family, and honesty.

All rules are of course restraints on that instinctive behavior which is innate in us, which we acquired when we lived for many millenia in small groups, but which helped us to achieve common ends and served the needs of known, familiar fellows. Gradually there evolved from this a different kind of moral tradition: the rules of property and the family, which are in essence restraints on our natural instincts.

It was the misleading belief of most of the last generation, and
even most of the classical economists, that man, by his supreme intelligence, understood that it was better to adopt these different rules. But that is not true. Man never understood why he accepted these morals. The morals of property and the family spread, and came to dominate a large part of the world, because those groups who by accident accepted them prospered and multiplied more than others.

We do not owe our morals to our intelligence; we owe them to the fact that some groups uncomprehendingly accepted certain rules of conduct—the rules of private property, of honesty, and of the family—that enabled the groups practicing them to prosper, multiply, and gradually to displace the others. Man was never intelligent enough to design his own society, but the practices that helped him to multiply his numbers spread for just that reason. It was a process of cultural selection, analogous to the process of biological selection, which made those groups and their practices prevail.

But the fact that our morals are not the result of man's supreme intelligence discovering that they were better, but were the result of a process of cultural selection, explains why we all so much dislike them.

In an essay some two years ago, I remarked that man was civilized much against his wishes. I think that this is fundamentally true. For the fact that these rules were not founded on an understanding of how they operated, but merely prevailed because those groups which adopted them were in fact more successful than others, caused us to be torn constantly between two attitudes. On the one hand are the kinds of emotions that were appropriate to our behavior in the small groups where we lived together for over a hundred thousand years, where we learned to serve our known fellows, and where the whole group pursued the same aims. On the other is the more recent development in which we no longer chiefly serve known fellows, where we no longer pursue common ends, but where we have found the mechanism to keep alive in this world, roughly speaking, about two hundred times as many human beings than there existed before civilization began.

I think that it is roughly true that ninety-nine and a half percent of the people now living in this world are enabled to live by the development of new forms of human interaction, which men in the small group did not know, whose function we do not understand to the present day, and which they only very reluctantly obey and follow.
The Principles of Property and the Family
Are Evolutionary Successes

The process by which the ethics of private property and honesty came to prevail and why the groups which obeyed these rules increased and multiplied more rapidly than others are interesting problems with which I must briefly deal. For how could a tradition, whose effect people did not realize, prevail and be passed on from generation to generation, if people had no rational understanding of it?

The answer is that all human groups could exist only by obeying some kind of rules of conduct which they had in common. But to preserve rules of conduct whose functions they did not understand, they drew upon the aid of supernatural sanctions. And we must admit that we owe to mystical beliefs that we preserved a tradition which was beneficial to us. Thus we owe our civilization to beliefs that are not true in the same sense in which scientific facts are true, but are just as essential because it is due to our belief in them that we have been able to develop our modern civilization.

It is a very interesting fact that, among the founders of religions over the last two thousand years, there have been many who were against property and the family. In fact, I believe that you will find about every ten years some new creator of a religion that is against property and the family. But the only religions that have survived are those which support property and family. If you look at the present world, you will find that, with the exception of communism, all the worldwide religions (whether the monotheistic creeds of the West, or the exotic religions of the East) support the two principles of private property and the family. Even though thousands of religious founders have reacted against this and have advocated religious beliefs opposed to these two institutions, their religions have not lasted very long. “Not very long,” in this sense, means not more than roughly a hundred years.

I think that we are watching one such experiment, already in the state of decline before its hundred years are over. Communism is, of course, one of these religions which is anti-property, and anti-religion, which had its time, and which is now declining rapidly. We are watching one instance where the process of the natural selection of religious beliefs disposes of yet another mistaken one and restores the basic beliefs in property and the family.

Why the Institution of Property Was So Beneficial

I must still explain why I believe that the belief in the institution of private property—or, as I prefer to call it, several property, be...
cause it is not necessarily the property of individuals but the properties of any group—is an essential condition of the development of the extended order of human cooperation.

The transition from the human relationships of the small groups, based on common ends and common knowledge, to the society, which utilizes widely dispersed knowledge and serves a wide variety of different individual purposes, has enabled mankind to make use of an infinitely greater amount of information than any small society ever could.

Private property, of course, was never "invented" in the sense that people foresaw what its benefits would be. Its main benefit turned out to be the division of labor, which it brought about. That in turn increased the possibility of maintaining a larger number of people because it generated an increase in productivity by enabling the use of a much greater variety of information than could ever be possessed by any single agent.

But even more than that, it meant that an increase in population did not become, as Malthus predicted, a process where the increase of humanity led to decreasing returns, and therefore to a decrease of personal incomes. On the contrary, it was found that, insofar as it made possible an increase of human numbers that was due to increasing differentiation, the increase of population was not subject to the law of decreasing returns. In fact, the increase of the density of population increasingly helped to improve productivity.

Malthus's application of the law of decreasing returns to increasing humanity was based on the assumption that human labor is uniform. But the great development made possible by property was that human labor and human capacities became highly specialized.

And so the increase of population became an increase in variety. It made possible the institution of what Adam Smith was the first to recognize as the division of labor. Smith taught (but his successors did not understand) that the division of labor was a direct function of the extent of the market. And the extent of the market, of course, is a consequence of the increase of population. The increase of the population, far from reducing productivity, and far from leading to impoverishment, is in fact that source of the increase in our productivity and the increase in our capacity to keep alive ever increasing numbers of men.

The Self-Regulating Nature of Population Increase

I am at the point where, I confess, I have come somewhat into conflict with the belief of most of my contemporaries among the economists, and even more with popular opinion. We have all been
taught that the greatest danger to mankind is the rapid increase of human numbers and that there will soon be "standing room only."

But I maintain (and I am very glad to have found support in the work of one or two recent economists, such as Julian Simon, who have made this a special study) that this is all wrong. It is not true that the increase of population leads to impoverishment. There has been no instance in history—and I say this after careful consideration—when increases of population have led to impoverishment of the people who were already there.

The contrary impression is due to the fact that we are speaking about average incomes, and not of the incomes of the people who are already there. But the evolution of the division of labor, and of capitalism, has favored the poor more than the rich; it has led to a greater increase of the number of the poor than of the rich. The result is that an increase of population generally leads to a decrease of average incomes, simply because the poor multiply more rapidly than the wealthy, and the wealthy more rapidly than the very rich.

Now, this does not mean that the people who are already there become any poorer, only that more poor people are being added. In a sense, it turns out (although in a meaning quite different from that which Karl Marx intended) that the contention that capitalism created a proletariat is perfectly true. It gave them life. They could never have existed if the capitalist system had not made it possible for the propertyless to survive, whereas in an earlier system they could not have survived. That is nothing to complain of. Our morals, the morals which have prevailed, the morals of private property and honesty, are simply those that favor the practices that assist the multiplication of mankind.

The economic calculus is a calculus of life; it guides us to do the sort of things that secure the most rapid increase of mankind. In a sense, I am prepared to defend this contention by saying that life has no other purpose than itself, by which I mean that we have been so adjusted that all we do contributes to produce more human beings than there existed before. But I do not think that there is any reason to be horrified by this. Of course, we have to admit that evolution has not been guided by aesthetic ends, and I admit that I am not very pleased when I visualize the fact that economic prosperity in the foreseeable time is likely to lead to a very rapid further increase of mankind. Yet I believe that the fear that this will lead to the horrifying state of "standing room only," is entirely misleading.

It is an interesting fact of economic advance by way of the market economy that the greatest proliferation of man occurs only at what one might call the periphery. In the highly advanced countries (what
we used to call the “capitalist,” or “market” economy countries), people no longer use their greater wealth to produce larger families. That happens only on the periphery, in those parts of the world which have joined the West, but did not originate with the West. The best illustrations are the admittedly depressing shantytowns surrounding all the rapidly growing cities in the world, whether in Mexico or any other great city in Latin America or the Far East.

Most people are horrified by seeing such life that “capitalism” produces. But these are not people who have yet fully taken over the morals of capitalism. Although they have joined the leading capitalist centers, they still strive to satisfy that instinct which they have inherited from the primitive small society: to produce enough children to ensure that enough survive to support them when they are old.

I think that I could demonstrate, if I had time, that this multiplication of mankind, which so alarms most of us, is due to a very peculiar situation in which we find ourselves.

I have used the term “periphery” of the market economy, the margin of people that have joined the communities that have a fully developed market economy. I believe that this periphery has now reached the maximum extent it can reach: the border between the advanced capitalist countries and the underdeveloped countries has reached its maximum. And since the effect of the efficiency of capitalism is very largely on the margin, we live at the time of the maximum rate of multiplication of mankind. As more and more regions and territories are fully absorbed into the market economy, this margin or periphery, which has now reached its maximum, must of course shrink.

So we are living in a period of the most rapid multiplication of mankind. Observing the traditional rules, which were selected because they were most beneficial to the multiplication of mankind, does not lead to an indefinite multiplication. It is a process that is self-regulating. As the advanced order of society expands the part of the world where people, have learned to control their numbers, the periphery of people, who profit from it and are thus enabled still to satisfy their primitive instinct of providing many children, will become smaller.

Socialism Removes the Self-Regulating Mechanism

I think that this present fear of the effect of the morals of the market economy, in producing an indefinite increase of the number of mankind, is mistaken. It is a test of our success that we are able to maintain larger numbers wherever we wish to do it; but only where we wish to do it. It is not an inevitable process.
I must also add that there is one exception to this principle. I claimed before that I know of no instance in history when an increase of population led to the impoverishment of the people already existing. I must add one exception. That is when governments redistribute incomes, and thus subsidize the development of people who cannot maintain themselves. The increase of population is a danger only where redistribution of incomes by government subsidizes the increase of people who will never be able to maintain themselves.

There are certain consequences that follow from this for our policy with regard to the underdeveloped world. I will give only one very brief illustration.

There are parts of the world where it is quite clear that climatic and other conditions will never enable a large population to subsist. The most famous instance is the southern parts of the Sahara, where we subsidize an increase of population, people who will never be able, from all we can know, to maintain themselves. I mention this only as an instance of the harm we may be doing in assisting the expansion of populations in parts of the world that are not likely ever to maintain a larger population than they currently do. We are preparing future misery because we must not imagine that the Western world would be indefinitely willing to maintain, in other parts of the world, populations that are larger than the conditions there are likely to support.

There are, thus, very serious consequences of my argument for our policy toward the underdeveloped countries. But let me return, in conclusion, to the problems of the Western world.

Traditional Morality Is Vital to Human Survival

The conclusion of what I said is that we owe not only our prosperity, but our capacity to maintain a population as large as that to which the Western world has grown, to obeying certain traditional rules or morals, essentially the rules of property and the family, whose functions we have never understood, which people dislike because they do not understand their function, and against which the great revolutionary movements of our time, socialism and communism, are directed.

What I am trying to do in The Fatal Conceit is to show that their argument is wholly based on factual mistakes. They assume that it is in our power, by redistributing incomes, to put everyone on the level we would wish them to be. Now, the difference between the socialist and me is not a difference of values. Socialists like to pre-
tend, in order to escape serious discussion, that these are questions of value judgment and so cannot be discussed scientifically. They are, however, wrong about fact. Socialism assumes that we can deliberately reorganize the utilization of resources so as to produce even more, or at least as much, so that the distribution of the product is more equal and more just than it is.

I am profoundly convinced that socialism is not an invention of the working class, but purely an affair of the intellectuals. But you might be shocked when I say that the writer chiefly responsible for converting the intellectuals of the Western world to socialism is a man who is regarded as the great representative of the Libertarian philosophy, John Stuart Mill. And I will illustrate with a passage in his famous *Principles of Political Economy*, originally published in 1848, and, for a hundred years, the standard textbook of economics.

Mill begins his exposition with the theory of production, and then in the second volume, changes to the theory of distribution. In the first page of this volume, the following sentiment occurs: “Once the social product is there, men, individually or socially, can do with it whatever they please.”

Now, if that were true, it would certainly be our moral duty to see that this product was distributed justly. Yet if we tried to do so, the product would never be there again! The distribution of market rewards is the mechanism by which individuals are told what to do in order to make their maximum contribution to the total product. And if we try to redistribute the product for the purpose of making the distribution “just,” the mechanism no longer guides us to do what we must do in order to produce a product of the present size.

The whole idea that we can replace the market by central planning is based on intellectual error—an intellectual error, which I am afraid is very widespread, and which is shared as much by businessmen as by intellectuals. It is rare to find an exception. But I have just come across a recent public statement by a military commander of all people, which pleases me enormously: “planning is the replacement of accident by error.” But he was a Swiss officer, and they appear to be rather different from servants of government elsewhere.

**QUESTIONS AND DISCUSSIONS**

Dr. Feulner: Thank you very much, Professor Hayek, for that very interesting exposition. I know I speak on behalf of everyone when I say how much we do look forward to the next book.
Question: I think that your comments on the specific activities of a person like Mother Theresa would give more insight than from your general theory. Specifically, she lives by a principal that "God calls us to faith, not to success." Do you find her activities morally and economically sound?

Professor Hayek: Faith has helped to preserve a hundred different kinds of beliefs, since all it does is enable a group to stick to their own set of beliefs. Which of these beliefs will survive and spread depends on their economic effect.

After all, our morality is itself the result of a process of cultural selection. Those things survive that enable the species to multiply. And those practices and habits that enabled us to multiply came to prevail and became the cause of mankind increasing to two hundred times the numbers it had before the development of civilization began.

(In fact, we have now reached the stage where, contrary to the naive Aristotelian view of science, we realize that all order that we find in the world is the result of processes of selective evolution. Some physicists have very recently, and convincingly, argued that even the atom is the result of an evolutionary process to establish combinations of elemental particles that were resistant to destruction, surviving other combinations. There is no question that the human organism is the result of a process of selection. And the human society is part of the same process, selecting those societies that have adopted the practices most conducive to their survival and expansion.)

The great problem for social policy is that we hate the idea that we owe all our success, not to our intelligence having chosen our culture as the right thing, but to having been selected, as it were, for doing the right thing without actually knowing why it was better.

All revolutionary response against the market society is based on the idea that we want a society that serves our natural instincts. But what we call the natural instincts are precisely the instincts that we adopted during our existence in small bands of a few dozen people, a society where everybody knew his fellow members, where everybody served the same purpose.

The morality that makes the extended order possible has not been invented by us, and has never been understood by us; and therefore we hate it. And the people who pretend that we could return to follow our natural instincts, have great appeal. But I fear
that ninety-nine and a half percent of the people now living owe their existence to the development of civilization. If we really adopt or follow the urge to return to the cultivation of our natural instincts, we would, in the course of a few generations, effectively kill ninety-nine and a half percent of the people now living.

**Question:** Professor Hayek, your remarks on evolutionary theory have reminded me of the 1960s observation of an Oxford philosopher that political philosophy in the tradition from Plato and Aristotle to Marx and Mills had petered out, although “an occasional magnificent dinosaur stalks onto the scene such as Hayek’s *Constitution of Liberty*, seemingly impervious to the effects of natural selection.”

You have shown that political philosophy is indeed alive and well. However, I am not clear exactly what you’re saying in your remarks; and the same questions could be asked of the *Constitution of Liberty*. Are you trying to justify a particular moral code, or are you trying to give us a mere explanatory account of ethics.

**Professor Hayek:** Allow me first to refer to the quotation you cited, a comment on my work that I most resent. I particularly resent it because there is no better method of harming the development of young people than by telling them that a particular book is not one they ought to read.

But on the main topic, I am afraid that I would have to elaborate my lecture at great length to answer your point. My argument contains much that is offensive to man’s pride.

We are so proud of having created civilization thanks to our intelligence. And once you take this for granted, it is natural to conclude that, if this experiment was not very successful, our intelligence should enable us to create a better world. Now that is wholly based on the “fatal conceit” that the order of the society which we have is the result of our intelligent design. And my present aim is just to un-deceive man of this pride, which, if it were justified, of course would justify his attempts completely to reconstruct his society.

However, it was not man’s intelligence that created society, but cultural evolution that created man’s intelligence. Our brain does not manufacture intelligence; our brain is merely an apparatus for absorbing and learning a traditional way of thinking, a tradition both of interpretations of the world, and of rules of conduct that we have learned to follow. Thus the social order depends on a
system of views and opinions which we imbibe, inherit, and learn from a tradition that we cannot modify.

I mention this only to suggest how basic are some of the differences that distinguish my present philosophy from that which is predominant in our generation. I rather expect you to revolt against most of what I have said. I only hope that you will very seriously reflect upon it.

**Question:** Professor Hayek, you made a very optimistic statement with respect to the impending failure of communism. What is the basis of your optimism that communism is failing?

**Professor Hayek:** I would not dare to make any predictions of what is going to happen in Russia, which has now a very effective military dictatorship. But I will confess that my remark was inspired by one particular experience, not very long ago.

I think it was last May, that in my London club I happened to sit at the same table as a Russian scientist, who had come to Western Europe for the first time to attend a scientific conference. He spoke quite good English, so I could ask him what surprised him most on visiting Western Europe. His answer was: “You still have so many Marxists, we haven’t any!”
How did the subtle, complex, and sometimes obscure collection of rules and customs that make up civilized modern societies actually arise? In this lecture, Nobel Laureate Friedrich Hayek provides an intriguing and controversial answer—the principles of private property, the free market, and the sanctity of the family have their roots in practices which enabled primitive societies to survive.

Drawing on more than twenty years of study, Hayek argues that these survival traits have slowly become enshrined in what we call moral values. And just as the "ordered chaos" of the free market can maintain our prosperity, the restraints on our animal behavior stemming from these values are essential for the survival of modern society.

Those who attack these values and customs as irrelevant, and suggest that man can consciously manipulate and improve upon the tried and tested fabric of society, pose the greatest threat to humanity, according to Hayek. They commit the fatal conceit, says Hayek, of supposing that man's limited intelligence is capable of improving upon the delicate social order that has taken centuries to emerge.