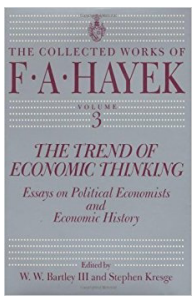
DR. BERNARD MANDEVILLE[1] (1670–1733)



I

It is to be feared that not only would most of Bernard Mandeville's contemporaries turn in their graves if they could know that he is today presented as a master-mind to this august body, but that even now there may have been some raising of eyebrows about the appropriateness of such a choice. The author who achieved such a *succès de scandale* almost 250 years ago is still not quite reputable. Though there can be no doubt that his works[2] had an enormous circulation and that they set many people thinking on important problems, it is less easy to explain what precisely he has contributed to our understanding.

Let me say at once, to dispel a natural apprehension, that I am not going to represent him as a great economist. Although we owe to him both the term 'division of labour' and a clearer view of the nature of this phenomenon, and although no less an authority than Lord Keynes[3] has given him high praise for other parts of his economic work, it will not be on this ground that I shall claim eminence for him. With the exception I have mentioned—which is a big one—what Mandeville has to say on technical economics seems to me to be rather mediocre, or at

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[1] [This essay was first printed in *Proceedings of the British Academy* (London: Oxford University Press), vol. 52, 1966, pp. 125–141, being the Lecture on a Master Mind delivered to the Academy on March 23, 1966. Reprinted as chapter 15 of *New Studies in Philosophy, Politics, Economics and the History of Ideas* (Chicago: University of Chicago Press; London: Routledge & Kegan Paul, 1978); German translation in F.A. Hayek, *Freiburger Studien* (Tübingen: J.C.B.Mohr [Paul Siebeck] Verlag, 1969). Spanish translation, *Estudios Públicos,* Santiago, Chile, 1986. -Ed.]

least unoriginal—ideas widely current in his time which he uses merely to illustrate conceptions of a much wider bearing.

Even less do I intend to stress Mandeville's contributions to the theory of ethics, in the history of which he has his well-established place. But though a contribution to our understanding of the genesis of moral rules is part of his achievement, it appears to me that the fact that he is regarded as primarily a moralist has been the chief obstacle to an appreciation of his main achievement.

I should be much more inclined to praise him as a really great psychologist,[4] if this is not too weak a term for a great student of human nature; but even this is not my main aim, though it brings me nearer to my contention. The Dutch doctor, who about 1696, in his late twenties, started to practise in London as a specialist in the diseases of the nerves and the stomach, that is, as a psychiatrist,[5] and continued to do so for the following thirty-seven years, clearly acquired in the course of time an insight into the working of the human mind which is very remarkable and sometimes strikingly modern. He clearly prided himself on this understanding of human nature more than on anything else. That we do not know why we do what we do, and that the consequences of our decisions are often very different from what we imagine them to be, are

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[2] Any serious work done today on Mandeville must be deeply indebted to the splendid edition of *The Fable of the Bees* which the late Professor F.B.Kaye published in 1924 through the Oxford University Press. All information about Mandeville and his work used in this lecture is taken from this edition and references to its two volumes will be simply 'i' and 'ii'. Though my opinion of Mandeville's importance is based on earlier acquaintance with most of his works, when I came to write this lecture I had access only to this edition of the *Fable* and two modern reprints of *A Letter to Dion;* all quotations from other works are taken from Kaye's Introduction and Notes to his edition. At least Mandeville's *Origin of Honour* (1732) and his *Free Thoughts on Religion etc*. (1720), and probably also some of his other works, would, however, deserve to be made more accessible; it would be a great boon if the Oxford University Press could be persuaded to expand its magnificent production of the *Fable* into an edition of Mandeville's collected works. [Hayek also included in his bibliography in the original article *An Enquiry into the Causes of the Frequent Executions at Tyburn (London, 1725)* and A Letter to Dion (London, 1732), new edition by B.Dobrée (Liverpool, 1954). Among recent reprints of Mandeville's works are *The Virgin Unmask'd* [1709] (Delmar, N.Y.: Scholars' Facsimiles and Reprints, 1975); *The Mischiefs that Ought Justly to be Apprehended From a Whig-Government* [1714] (Los Angeles: published for the William Andrews Clark Memorial Library, University of California, by Augustan Reprint Society, 1975); *Free Thoughts on Religion, the Church, and National Happiness* [1720] (Delmar, N.Y.: Scholars' Facsimiles and Reprints, 1981); *A Modest*

the two foundations of that satire on the conceits of a rationalist age which was his initial aim.

What I do mean to claim for Mandeville is that the speculations to which that *jeu d'esprit* led him mark the definite breakthrough in modern thought of the twin ideas of evolution and of the spontaneous formation of an order, conceptions which had long been in coming, which had often been closely approached, but which just then needed emphatic statement because seventeenth-century rationalism had largely submerged earlier progress in this direction. Though Mandeville may have contributed little to the answers of particular questions of social and economic theory, he did, by asking the right questions, show that there was an object for a theory in this field. Perhaps in no case did he precisely show *how* an order formed itself without design, but he made it abundantly clear that it *did,* and thereby raised the questions to which theoretical analysis, first in the social sciences and later in biology, could address itself.[6]

Defence of Publick Stews [1724] (Los Angeles: published for the William Andrews Clark Memorial Library, University of California, by Augustan Reprint Society, 1973); and *An Enquiry into the Origin of Honour and the Usefulness of Christianity in War* [1732] (London: Cass, 1971). Kaye's edition of *The Fable of the Bees,* recently reprinted (2 vols; Indianapolis, Ind.: Liberty*Classics,* 1988), is still considered the definitive edition of Mandeville's work. -Ed.]

[3] [John Maynard Keynes (1883–1946). -Ed.]

[4] Professor Kaye has duly drawn attention to the more remarkable of Mandeville's psychological insights, especially to his modern conception of an *ex post* rationalization of actions directed by emotions (see i, p. lxxvii, and cf. pp. lxiii–lxiv), to which I would like to add references to his observations of the manner in which a man born blind would, after gaining sight, learn to judge distances (i, p. 227), and to his interesting conception of the structure and function of the brain (ii, p. 165).

[5] Mandeville's work on psychiatry seems to have had a considerable reputation. *A Treatise of Hypochondriac and Hysteric Passions* which he published in 1711 had to be reprinted in the same year and was republished in an enlarged version in 1730 with the word 'Diseases' substituted for 'Passions' in the title. [See reprints: *A Treatise of the Hypochondriack and Hysterick Diseases* (Delmar, N.Y.: Scholars' Facsimiles and Reprints,

II

Mandeville is perhaps himself a good illustration of one of his main contentions in that he probably never fully understood what was his main discovery. He had begun by laughing about the foibles and pretences of his contemporaries, and that poem in Hudibrastic verse which he published in 1705 as *The Grumbling Hive, or Knaves Turned Honest* was probably little more than an exercise in the new language he had come to love and of which in so short a time he had acquired a remarkable mastery. Yet though this poem is all that most people today know about him, it gives yet little indication of his important ideas. It also seems at first to have attracted no attention among serious people. The idea that

> The worst of all the multitude
> Did something for the common good

was but the seed from which his later thought sprang. It was not until nine years later, when he republished the original poem with an elaborate and wholly serious prose commentary, that the trend of his thought became more clearly visible; and only a further nine years later, with a second edition of *The Fable of the Bees, or Private Vices Public Benefits,* a book about twenty times as long as the original poem, that his ideas suddenly attracted wide attention and caused a public scandal. Finally, it was really only after yet another six years, when in 1728, at the age of fifty-eight, he added a second volume to it, that the bearing of his thought became quite clear. By that time, however, he had become a bogey man, a name with which to frighten the godly and respectable, an author whom one might read in secret to enjoy a paradox, but whom everybody knew to be a moral monster by whose ideas one must not be infected.

1976); *A Treatise of Hypochondriack and Hysterick Passions* (New York: Arno Press, 1976). -Ed.]

[6] Cf. Leslie Stephen, *History of English Thought in the 18th Century,* second edition (London: Smith, Elder, 1881), vol. 1, p. 40: “Mandeville anticipates, in many respects, the views of modern philosophers. He gives a kind of conjectural history describing the struggle for existence by which man gradually elevated himself above the wild beasts, and formed societies for mutual protection.”

Yet almost everybody read him[7] and few escaped infection. Though the very title of the book, as the modern editor observes,[8] was apt "to throw many good people into a kind of philosophical hysterics which left them no wit to grasp what he was driving at", the more the outraged thundered, the more the young read the book. If Dr. Hutcheson[9] could give no lecture without attacking *The Fable of the Bees,* we may be sure that his student Adam Smith very soon turned to it. Even half a century later Dr. Samuel Johnson[10] is said to have described it as a book that every young man had on his shelves in the mistaken belief that it was a wicked book.[11] Yet by then it had done its work and its chief contributions had become the basis of the approach to social philosophy of David Hume[12] and his successors.

III

But does even the modern reader quite see what Mandeville was driving at? And how far did Mandeville himself? His main general thesis emerges only gradually and indirectly, as it were as a by-product of defending his initial paradox that what are private vices are often public benefits. By treating as vicious everything done for selfish purposes, and admitting as virtuous only what was done in order to obey moral commands, he had little difficulty in showing that we owed most benefits of society to what on such a rigoristic standard must be called vicious. This was no new discovery but as old almost as any reflection on these problems. Had not even Thomas Aquinas had to admit that *multae utilitates impedirentur si omnia peccata districte prohiberentur* —that much that is useful would be prevented if all sins were strictly prohibited?[13] The whole idea was so familiar to the literature of the

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[7] There is perhaps no other comparable work of which one can be equally confident that all contemporary writers in the field knew it, whether they explicitly refer to it or not. Alfred Espinas ("La Troisième phase de la dissolution du mercantilisme", *Revue internationale de sociologie,* 1902, p. 162) calls it "un livre dont nous nous sommes assures que la plupart des hommes du XVIII[e] siècle ont pris connaissance".

[8] F.B.Kaye in i, p. xxxix.

[9] [Francis Hutcheson (1694–1746), Professor of Moral Philosophy at Glasgow University. -Ed.]

[10] [(1709–1784). -Ed.]

[11] I borrow this quotation, which I have not been able to trace, from Joan Robinson, *Economic Philosophy* (London: C.A.Watts, 1962), p. 15.

preceding century, particularly through the work of La Rochefoucauld[14] and Bayle[15], that it was not difficult for a witty and somewhat cynical mind, steeped from early youth in the ideas of Erasmus[16] and Montaigne[17], to develop it into a grotesque of society. Yet by making his starting-point the particular moral contrast between the selfishness of the motives and the benefits which the resulting actions conferred on others, Mandeville saddled himself with an incubus of which neither he nor his successors to the present day could ever quite free themselves.

It was in the elaboration of this wider thesis that Mandeville for the first time developed all the classical paradigmata of the spontaneous growth of orderly social structures: of law and morals, of language, the market, of money, and also of the growth of technological knowledge. To understand the significance of this it is necessary to be aware of the conceptual scheme into which these phenomena had somewhat uneasily been fitted during the preceding 2,000 years.

IV

The ancient Greeks, of course, had not been unaware of the problem which the existence of such phenomena raised; but they had tried to cope with it with a dichotomy which by its ambiguity produced endless confusion, yet became so firm a tradition that it acted like a prison from which Mandeville at last showed the way of escape.

The Greek dichotomy which had governed thinking so long, and which still has not lost all its power, is that between what is natural *(physei)* and that which is artificial or conventional (*thesmoi* or *nomoi*).[18] It was obvious that the order of nature, the *kosmos,* was given independently of the will and actions of men, but that there existed also other kinds of order (for which they had a distinct word, *taxis,* for which

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[12] [See this volume, chapter 7. -Ed.]

[13] *Summa Theologia,* II. ii, q. 78 i.

[14] [François de Marsillac, duc de La Rochefoucauld (1613–1680), French courtier, soldier, and moralist, author of *Reflexions ou sentences et maximes morales* (1678, numerous editions). -Ed.]

[15] [Pierre Bayle (1647–1706), French Protestant scholar and philosopher, author of the *Dictionnaire historique et critique* (Rotterdam: R.Leers, 1697). -Ed.]

[16] [Desiderius Erasmus (1466?-1536). -Ed.]

[17] [Michel Eyquem de Montaigne (1533–1592). -Ed.]

we may envy them) which were the result of the deliberate arrangements of men. But if everything that was clearly independent of men's will and their actions was in this sense obviously 'natural', and everything that was the intended result of men's action 'artificial', this left no distinct place for any order which was the result of human actions but not of human design. That there existed among the phenomena of society such spontaneous orders was often perceived. But as men were not aware of the ambiguity of the established natural/artificial terminology, they endeavoured to express what they perceived in terms of it, and inevitably produced confusion: one would describe a social institution as 'natural' because it had never been deliberately designed, while another would describe the same institution as 'artificial' because it resulted from human actions.

It is remarkable how close, nevertheless, some of the ancient thinkers came to an understanding of the evolutionary processes that produced social institutions. There appears to have existed in all free countries a belief that a special providence watched over their affairs which turned their unsystematic efforts to their benefit. Aristophanes refers to this when he mentions that[19]

> There is a legend of the olden time
> That all our foolish plans and vain conceits
> Are overruled to work the public good.

—a sentiment not wholly unfamiliar in [Britain]. And at least the Roman lawyers of classical times were very much aware that the Roman legal order was superior to others because, as Cato is reported to have said, it[20]

> was based upon the genius, not of one man, but of many: it was founded, not in one generation, but in a long period of several centuries and many ages of men. For, said he, there never has lived a man possessed of so great a genius that nothing could escape him, nor could the combined powers of all men living at

[18] Cf. F.Heinimann, *Nomos und Physis* (Basel: F.Reinhardt, 1945), and my essay "The Result of Human Action But Not of Human Design" in my *Studies in Philosophy, Politics, and Economics* (London and Chicago: University of Chicago Press; London: Routledge & Kegan Paul, 1967).

> one time possibly make all the provisions for the future without the aid of actual experience and the test of time.

This tradition was handed on, chiefly through the theories of the law of nature; and it is startling how far the older theorists of the law of nature, before they were displaced by the altogether different rationalist natural law school of the seventeenth century, penetrated into the secrets of the spontaneous development of social orders in spite of the handicap of the term 'natural'. Gradually even this unfortunate word became almost a technical term for referring to human institutions which had never been invented or designed by men, but had been shaped by the force of circumstances. Especially in the works of the last of the Schoolmen, the Spanish Jesuits of the sixteenth century, it led to a systematic questioning of how things would have ordered themselves if they had not otherwise been arranged by the deliberate efforts of government; they thus produced what I should call the first modern theories of society if their teaching had not been submerged by the rationalist tide of the following century.[21]

V

Because, however great an advance the work of a Descartes, a Hobbes, and a Leibniz may have meant in other fields, for the understanding of social growth processes it was simply disastrous. That to Descartes Sparta seemed eminent among Greek nations because its laws were the product of design and "originated by a single individual, they all tended to a single end"[22] is characteristic of that constructivistic rationalism which came to rule.[23] It came to be thought that not only all cultural institutions were the product of deliberate construction, but that all that was so designed was necessarily superior to all mere growth. Under this

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[19] *Ecclesiazusae,* 473; the translation is that by B.B.Rogers in the Loeb edition (Cambridge, Mass.: Harvard University Press; London: William Heinemann, 1924), vol. 3, p. 289.

[20] M.Tullius Cicero, *De re publica* ii, I, 2, Loeb edition by C.W.Keyes (London: W.Heinemann; New York: G.Putnam's Sons, 1928), p. 113. Cf. also the Attic orator Antiphon, *On the Choreutes,* par. 2 (in *Minor Attic Orators,* Loeb edition by K.J. Maidment (Cambridge, Mass.: Harvard University Press; London: William Heinemann, 1941), p. 247), where he speaks of laws having "the distinction of being the oldest in this country,…and that is the surest token of good laws, as time and experience show mankind what is imperfect".

influence the traditional conception of the law of nature was transformed from the idea of something which had formed itself by gradual adaptation to the 'nature of things', into the idea of something which a natural reason with which man had been originally endowed would enable him to design.

I do not know how much of the older tradition was preserved through this intellectual turmoil, and particularly how much of it may still have reached Mandeville. This would require an intimate knowledge of the seventeenth-century Dutch discussion of legal and social problems which is still largely inaccessible to one who does not read Dutch. There are many other reasons why a thorough study of this period of Dutch thought, which probably had great influence on English intellectual development at the end of that and the beginning of the next century, has long seemed to me one of the great desiderata of intellectual history. But until that gap is filled I can, so far as my particular problem is concerned, only surmise that a closer study would probably show that there are some threads connecting Mandeville with that group of late School men and particularly its Flemish member, Leonard Lessius of Louvain.[24]

Apart from this likely connexion with the older continental theorists of the law of nature, another probable source of inspiration for Mandeville was the English theorists of the common law, particularly Sir Matthew Hale.[25] Their work had in some respects preserved, and in other respects made unnecessary in England, a conception of what the natural law theorists had been aiming at; and in the work of Hale Mandeville could have found much that would have helped him in the speculations about the growth of cultural institutions which increasingly became his central problem.[26]

Yet all these were merely survivals of an older tradition which had been swamped by the constructivistic rationalism of the time, the most powerful expositor of which in the social field was the chief target of Hale's argument, Thomas Hobbes.[27] How ready men still were, under

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[21] On Luis Molina, from this angle the most important of these sixteenth-century Spanish Jesuits, and some of his predecessors see my essay "The Result of Human Action But Not of Human Design", in *Studies in Philosophy, Politics, and Economics,* op. cit.

[22] René Descartes, *A Discourse on Method,* part II, Everyman edition (London: J. M.Dent; New York: E.P.Dutton, 1912), p. 11.

[23] [See Hayek's account of constructivism in this volume, chapter 8. -Ed.]

the influence of a powerful philosophy flattering to the human mind, to return to the naive design theories of human institutions, much more in accord with the ingrained propensity of our thinking to interpret everything anthropomorphically, we will understand better when we remember that distinguished renaissance scholars could still as a matter of course search for personal inventors of all the institutions of culture.[28] The renewed efforts to trace the political order to some deliberate act, an original agreement or contract, was much more congenial to this view than the more sophisticated accounts of their evolution which had been attempted earlier.

VI

To his contemporaries "Mandeville's reduction of all action to open or disguised selfishness"[29] may indeed have seemed little more than another version of Hobbes, and to have disguised the fact that it led to wholly different conclusions. His initial stress on selfishness still carried a suggestion that man's actions were guided by wholly rational considerations, while the tenor of his argument becomes increasingly that it is not insight but restraints imposed upon men by the institutions and traditions of society which make their actions appear rational. While he still seems most concerned to show that it is merely pride (or "self-liking")[30] which determines men's actions, he becomes in fact much more interested in the origin of the rules of conduct which pride

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[24] Leonard Lessius, *De justitia et jure,* 1606.

[25] [Sir Matthew Hale (1609–1676). -Ed.]

[26] On Sir Matthew Hale see now particularly J.G.A.Pocock, *The Ancient Constitution and the Feudal Law* (Cambridge: Cambridge University Press, 1957), esp. pp. 171 *et seq.* I would like to make amends here for inadvertently not referring to this excellent book in *The Constitution of Liberty* (Chicago: University of Chicago Press, 1960), for the final revision of which I had much profited from Mr. Pocock's work.

[27] [Thomas Hobbes (1588–1679). -Ed.]

[28] Cf. Pocock, op. cit., p. 19: "This was the period in which Polydore Vergil wrote his *De inventoribus rerum* on the assumption that every invention could be traced to an individual discoverer; and in the field of legal history Macchiavelli would write with what seems singular naivete of the man "chi ordinó" so complex a creation of history as the monarchy of France"—with footnote references to Denys Hay, *Polydore Vergil* (Oxford: Clarendon Press, 1952), chapter 3, Niccoló Macchiavelli, *Discorsi* I xvi, and Pierre Mesnard, *L'Essor de la philosophie politique au XVI^e^ siècle* (Paris: J.Vrin, 1951), p. 83.

makes men obey but whose origin and rationale they do not understand. After he has convinced himself that the reasons for which men observe rules are very different from the reasons which made these rules prevail, he gets increasingly intrigued about the origin of these rules whose significance for the orderly process of society is quite unconnected with the motives which make individual men obey them.

This begins to show itself already in the prose commentary on the poem and the other pieces which make up part I of the *Fable,* but blossoms forth in full only in part II. In part I Mandeville draws his illustrations largely from economic affairs because, as he thinks, "the sociableness of man arises from those two things, *viz.,* the multiplicity of his desires, and the continuous opposition he meets with in his endeavours to satisfy them".[31] But this leads him merely to those mercantilist considerations about the beneficial effects of luxury which caused the enthusiasm of Lord Keynes. We find here also that magnificent description of all the activities spread over the whole earth that go to the making of a piece of crimson cloth[32] which so clearly inspired Adam Smith and provided the basis for the explicit introduction of the division of labour in part II.[33] Already underlying this discussion there is clearly an awareness of the spontaneous order which the market produces.

VII

I would not wish to dwell on this at any length, however, if it were not for the fact that Mandeville's long recognised position as an anticipator of Adam Smith's argument for economic liberty has recently been challenged by Professor Jacob Viner,[34] than whom there is no greater authority on such matters. With all due respect, however, it seems to me

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[29] F.B.Kaye, i, p. lxiii.

[30] See Chiaki Nishiyama, *The Theory of Self-Love: an Essay in the Methodology of the Social Sciences, and especially of Economics, with special Reference to Bernard Mandeville,* University of Chicago, Ph.D. thesis (mimeographed), 1960.

[31] i, p. 344.

[32] i, p. 356. Already Dugald Stewart in his *Lectures on Political Economy* (*Collected Works,* vii, p. 323) suggests that this passage in Mandeville "clearly suggested to Adam Smith one of the finest passages of *The Wealth of Nations*".

[33] ii, p. 284.

that Professor Viner has been misled by a phrase which Mandeville repeatedly uses, namely his allusions to the "dextrous management by which the skilful politician might turn private vices into public benefits".[35] Professor Viner interprets this to mean that Mandeville favours what we now call government interference or intervention, that is, a specific direction of men's economic activities by government.

This, however, is certainly not what Mandeville meant. His aim comes out fairly unmistakably already in the little-noticed subtitle to the second 1714 printing of the *Fable,* which describes it as containing "Several Discourses, to demonstrate, that Human Frailties,… may be turned to the Advantage of the Civil Society, and made to supply the Place of *Moral Virtues*".[36] WhatI believe he wants to say by this is precisely what Josiah Tucker expressed more clearly forty years later

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[34] Introduction to Bernard Mandeville, *A Letter to Dion* (1732), edited for the Augustan Reprint Society, Los Angeles, University of California, 1953, and reprinted in Professor Viner's *The Long View and the Short* (Glencoe, Ill.: The Free Press, 1958), pp. 332–342. For the predominant and, I believe, truer opinion, cf. Albert Schatz, *L'Individualisme économique et social* (Paris: A.Colin, 1907), p. 62, who describes the *Fable* as "l'ouvrage capital oú se trouvent tous les germes essentiels de la philosophie économique et sociale de l'individualisme". [I am grateful to Mr. Douglas Irwin, of the Federal Reserve System in Washington, for pointing out to me that the late Professor Viner, an associate and correspondent of Hayek's since 1931, replied to this passage, and Hayek's argument as a whole, in a letter (January 23, 1967) that is preserved, with the Viner papers, in the Archives of Princeton University Library, as well as with the Hayek papers at the Hoover Institution, Stanford University. Unfortunately, Hayek's reply is not to be found in either location. "As things stand now", Viner wrote, "I see nothing to withdraw, to amend, or to justify, in what I have written about Mandeville…". Viner requests clarification of (1) what Hayek means by "interventionism", "management", or "laissez faire"; (2) whether Hayek has a definition of intervention that excludes activity by government of ancient origin, or which if new is "improvement", or is not "deliberate"—in the sense, say, of being impulsive, or is local rather than central, or has been introduced by mediocrities, or is according to the rule of law; (3) why mercantilist intervention is not relevant or important in interpreting Mandeville's position. "All the evidence", Viner insists, "points to Mandeville having been a staunch Whig of his time. I know of no interventionist law on the books in his time which he criticized, except as it involved discrimination against dissenters or exclusion of Protestant immigrants. He was, of course, an immigrant himself, and he says somewhere that he was 'a part of the dissenters,' but unlike many dissenters, I am sure he had too little religious faith to practice religious intolerance of any kind, even against Puritans, had he the power." -Ed.]

[35] i, pp. 51, 369; ii, p. 319; also *A Letter to Dion,* op. cit., p. 36.

when he wrote that "that *universal* mover in human nature, SELF-LOVE, may receive such a direction in this case (as in all others) as to promote the public interest by those efforts it shall make towards pursuing its own".[37] The means through which in the opinion of Mandeville and Tucker individual efforts are given such a direction, however, are by no means any particular commands of government but institutions and particularly general rules of just conduct. It seems to me that Mr. Nathan Rosenberg is wholly right when, in his reply to Professor Viner, he argues that in Mandeville's view, just as in Adam Smith's, the proper function of government is "to establish the rules of the game by the creation of a framework of wise laws", and that Mandeville is searching for a system where "arbitrary exertions of government power would be minimised".[38] Clearly an author who could argue, as Mandeville had already in part I of the *Fable,* that "this proportion as to numbers in every trade finds itself, and is never better kept than when nobody meddles or interferes with it",[39] and who in conclusion of part II speaks about "how the shortsighted wisdom, of perhaps well-meaning people, may rob us of a felicity, that would flow spontaneously from the nature of every large society, if none were to

[36] Cf. the title page reproduced in ii, p. 393. It is not described as a second edition, which term was reserved to the edition of 1723.

[37] Josiah Tucker, *The Elements of Commerce and Theory of Taxes* (1755), in R.L. Schuyler, *Josiah Tucker, a Selection from his Economic and Political Writings* (New York: Columbia University Press, 1931), p. 92.

[38] Nathan Rosenberg, "Mandeville and laissez faire", *Journal of the History of Ideas,* vol. 24, 1963, pp. 190, 193. Cf. ii, p. 335, where Mandeville argues that, though it would be preferable to have all power in the hands of the good, "the best of all then not being to be had, let us look out for the next best, and we shall find, that of all possible means to secure and perpetuate to nations their establishment, and whatever they value, there is no better method than with wise laws to guard and entrench their constitution and to contrive such forms of administration, that the common-weal can receive no great detriment from the want of knowledge or probity of ministers, if any of them should prove less able and honest than we would wish them." [In the letter mentioned above, Jacob Viner also disputes Hayek's interpretation of Tucker. Viner writes: "If you read on a few pages after the citation you made I think you will find that this is one of the many occasions in which freedom meant for him avoidance of outright prohibitions or commands or physical constraint where taxes and subsidies could do the job, but did not mean non-regulation." -Ed.]

[39] i, pp. 299–300.

divert or interrupt this stream",[40] was quite as much (or as little)[41] an advocate of *laissez faire* as Adam Smith.

I do not attach much importance to this question and would have relegated it to a footnote if in connexion with it the baneful effect of the old dichotomy of the 'natural' and the 'artificial' had not once again made an appearance. It was Elie Halévy who had first suggested that Mandeville and Adam Smith had based their argument on a "natural identity of interests", while Helvetius (who undoubtedly was greatly indebted to Mandeville and Hume), and, following Helvetius, Jeremy Bentham, were thinking of an "artificial identification of interests";[42] and Professor Viner suggests that Helvetius had derived this conception of an artificial identification of interests from Mandeville.[43] I am afraid this seems to me the kind of muddle to which the natural/artificial dichotomy inevitably leads. What Mandeville was concerned with was that institutions which man had not deliberately made—though it is the task of the legislator to improve them—bring it about that the divergent interests of the individuals are reconciled. The identity of interests was thus neither 'natural' in the sense that it was independent of the institutions which had been formed by men's actions, nor 'artificial' in the sense that it was brought about by deliberate arrangement, but the result of spontaneously grown institutions which had developed because they made those societies prosper which tumbled upon them.

VIII

It is not surprising that from this angle Mandeville's interest became increasingly directed to the question of how those institutions grew up which bring it about that men's divergent interests are reconciled. Indeed this theory of the growth of law, not through the design of some wise legislator but through a long process of trial and error, is probably the most remarkable of those sketches of the evolution of institutions which make his investigation into the origin of society which

[40] ii, p. 353.

[41] Cf. J.Viner, "Adam Smith and laissez faire", *Journal of Political Economy,* vol. 35, 1927, and reprinted in *The Long View and the Short,* op. cit.

[42] Elie Halévy, *The Growth of Philosophic Radicalism* (London: Faber & Gwyer, 1928), pp. 15–17.

[43] *The Long View and the Short,* op. cit., p. 342.

constitutes part II of the *Fable* so remarkable a work. His central thesis becomes[44]

> That we often ascribe to the excellency of man's genius, and the depth of his penetration, what is in reality owing to the length of time, and the experience of many generations, all of them very little differing from one another in natural parts and sagacity.

He develops it with reference to laws by saying that[45]

> there are very few, that are the work of one man, or of one generation; the greatest part of them are the product, the joint labour of several ages…. The wisdom I speak of, is not the offspring of a fine understanding, or intense thinking, but of sound and deliberate judgement, acquired from a long experience in business, and a multiplicity of observations. By this sort of wisdom, and length of time, it may be brought about, that there may be no greater difficulty in governing a large city, than (pardon the lowness of the simile) there is in weaving of stockings.

When by this process the laws "are brought to as much perfection, as art and human wisdom can carry them, the whole machinery can be made to play of itself, with as little skill, as is required to wind up a clock".[46]

Of course Mandeville is not fully aware of how long would be the time required for the development of the various institutions—or of the length of time actually at his disposal for accounting for it. He is often tempted to telescope this process of adaptation to circumstances,[47] and does not pull himself up to say explicitly, as Hume later did in a similar context, that "I here only suppose those reflections to be formed at once, which in fact arise insensibly and by degrees".[48] He still vacillates between the then predominant pragmatic-rationalist and his new genetic or evolutionary view.[49] But what makes the latter so much more

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[44] ii, p. 142.

[45] ii, p. 322.

[46] ii, p. 323.

[47] N.Rosenberg, loc. cit., p. 194.

[48] David Hume, *A Treatise on Human Nature,* ed. T.H.Green and T.H.Grose (London: Longmans, Green, 1882), vol. 2, p. 274.

significant in his work than it was in the application to particular topics by Matthew Hale or John Law,[50] who probably did it better in their particular fields, is that he applies it to society at large and extends it to new topics. He still struggles to free himself from the constructivistic preconceptions. The burden of his argument is throughout that most of the institutions of society are not the result of design, but how "a most beautiful superstructure may be raised upon a rotten and despicable foundation",[51] namely men's pursuit of their selfish interests, and how, as "the order, economy, and the very existence of civil society …is entirely built upon the variety of our wants…so the whole superstructure is made up of the reciprocal services which men do to each other".[52]

IX

It is never wise to overload a lecture with quotations which, taken out of their context, rarely convey to the listener what they suggest to the reader of the consecutive exposition. So I will merely briefly mention the further chief applications to which Mandeville puts these ideas. Starting from the observation of how the skills of sport involve movements the purpose of which the acting person does not know,[53] and how similarly the skills of the arts and trades have been raised to "prodigious height…by the uninterrupted labour and joint experience of many generations, though none but men of ordinary capacity should ever be employed in them",[54] he maintains that manners in speaking, writing, and ordering actions are general ly followed by what we regard

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[49] Cf. Paul Sakmann, *Bernard de Mandeville und die Bienenfabel-Controverse* (Freiburg i.B., Leipzig, and Tübingen: J.C.B.Mohr, 1897), p. 141. Although partly superseded by Kaye's edition, this is still the most comprehensive study of Mandeville.

[50] In his *Money and Trade Considered: With a Proposal for Supplying the Nation with Money* (Edinburgh: Printed by the Heirs and Successors of Andrew Anderson, 1705), which thus appeared in the same year as Mandeville's original poem, John Law gave what Carl Menger rightly described as the first adequate account of the development of money. There is no ground for believing that Mandeville knew it, but the date is interesting as showing that the evolutionary idea was somehow 'in the air'.

[51] ii, p. 64.

[52] ii, p. 349.

[53] ii, pp. 140–141.

as "rational creatures…without thinking and knowing what they are about".[55] The most remarkable application of this, in which Mandeville appears to have been, wholly a pioneer, is to the evolution of language which, he maintains, has also come into the world "by slow degrees, as all other arts and sciences".[56] When we remember that not long before even John Locke had regarded words as arbitrarily "invented",[57] it would seem that Mandeville is the chief source of that rich speculation on the growth of language which we find in the second half of the eighteenth century.[58]

All this is part of an increasing preoccupation with the process which we would now call cultural transmission, especially through education. He explicitly distinguishes what is "adventitious acquired by culture"[59] from what is innate, and makes his spokesman in the dialogue of part II stress that "what you call natural, is evidently artificial and acquired by education".[60] All this leads him in the end to argue that "it was with our thought as it is with speech"[61] and that[62]

> human wisdom is the child of time. It was not the contrivance of one man, nor could it have been the business of a few years, to establish the notion, by which a rational creature is kept in awe for fear of itself, and an idol is set up, that shall be its own worshipper.

Here the anti-rationalism, to use for once the misleading term which has been widely used for Mandeville and Hume, and which we had now better drop in favour of Sir Karl Popper's "critical rationalism",[63] comes out most clearly. With it Mandeville seems to me to have provided the foundations on which David Hume was able to build.

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[54] ii, p. 141.

[55] ii, p. 287.

[56] ii, p. 287.

[57] John Locke, *Essay Concerning Human Understanding,* III, ii, I.

[58] [Compare, however, G.A.Wells, *The Origins of Language* (La Salle, Ill.: Open Court, 1987). -Ed.]

[59] ii, p. 89.

[60] ii, p. 270.

[61] ii, p. 269.

[62] *The Origin of Honour* (1732), quoted, i, p. 47n.

Already in part II of the *Fable* we meet more and more frequently terms which are familiar to us through Hume, as when Mandeville speaks of "the narrow bounds of human knowledge"[64] and says that

> we are convinced, that human understanding is limited; and by the help of very little reflection, we may be as certain, that the narrowness of its bounds, its being so limited, is the very thing, the sole cause, which palpably hinders us from driving into our origins by dint of penetration.[65]

And in *The Origin of Honour,* which came out when Hume was twenty-one and according to his own testimony was "planning" the *Treatise on Human Nature,* but had not yet started "composing" it,[66] we find the wholly Humean passage that[67]

> all human creatures are swayed and wholly governed by their passions, whatever fine notions we may flatter ourselves with; even those who act suitably to their knowledge, and strictly follow the dictates of their reason, are not less compelled to do so by some passion or other, that sets them to work, than others, who bid defiance and act contrary to both, and whom we call slaves to their passions.

X

I do not intend to pitch my claim on behalf of Mandeville higher than to say that he made Hume possible.[68] It is indeed my estimate of Hume as perhaps the greatest of all modern students of mind and society which

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[63] [See K.R.Popper, *The Open Society and Its Enemies,* fourth and subsequent editions (London: Routledge & Kegan Paul, 1962). See also Hayek's "Kinds of Rationalism", in *Studies in Philosophy, Politics, and Economics* (Chicago: University of Chicago Press; London: Routledge & Kegan Paul, 1967), pp. 82–95.—Ed.]

[64] ii, p. 104. Cf. David Hume, "Enquiry", in *Essays, Moral, Political, and Literary,* ed. T.H.Green and T.H.Grose (London: Longmans, Green, 1875), vol. 2, p. 6: "Man is a reasonable being; and as such, receives from science his proper food and nourishment: But so narrow are the bounds of human understanding, that little satisfaction can be hoped for in this particular, either from the extent or security of his acquisitions."

[65] ii, p. 315.

makes Mandeville appear to me so important. It is only in Hume's work that the significance of Mandeville's efforts becomes wholly clear, and it was through Hume that he exercised his most lasting influence. Yet to have given Hume[69] some of his leading conceptions seems to me sufficient title for Mandeville to qualify as a master-mind.

How much Mandeville's contribution meant we recognise when we look at the further development of those conceptions which Hume was the first and greatest to take up and elaborate. This development includes, of course, the great Scottish moral philosophers of the second half of the century, above all Adam Smith and Adam Ferguson, the latter of whom, with his phrase about the "results of human action but not of human design",[70] has provided not only the best brief statement of Mandeville's central problem but also the best definition of the task of all social theory. I will not claim in favour of Mandeville that his work also led via Helvetius to Bentham's particularistic utilitarianism which, though the claim is true enough, meant a relapse into that constructivistic rationalism which it was Mandeville's main achievement to have overcome. But the tradition which Mandeville started includes also Edmund Burke, and, largely through Burke, all those 'historical schools' which, chiefly on the Continent, and through men like Herder[71] and Savigny[72], made the idea of evolution a commonplace in the social sciences of the nineteenth century long before Darwin. And it was in this atmosphere of evolutionary thought in the study of society, where 'Darwinians before Darwin' had long thought in terms of the prevailing of more effective habits and practices, that Charles Darwin at last applied the idea systematically to biological organisms.[73] I do not, of course, mean to suggest that Mandeville had any direct influence on Darwin (though David Hume

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[66] Cf. E.C.Mossner, *The Life of David Hume* (London: Nelson, 1954), p. 74.

[67] *The Origin of Honour,* p. 31, quoted, i, p. lxxix.

[68] Cf. Simon N.Patten, *The Development of English Thought* (New York: Macmillan, 1910), pp. 212–213: "Mandeville's immediate successor was Hume…. If my interpretation is correct, the starting-point of Hume's development lay in the writings of Mandeville." Also O.Bobertag's observation in his German translation *Mandeville's Bienenfabel* (Munich: Georg Muller, 1914), p. xxv: "Im 18. Jahrhundert gibt es nur einen Mann, der etwas gleich Grosses—und Grösseres—geleistet hat, David Hume."

[69] The same may also be true concerning Montesquieu. See on this Joseph Dedieu, *Montesquieu et la tradition politique anglaise* (Paris: J.Gabalda, 1909), pp. 260– 261, and 307n.

probably had). But it seems to me that in many respects Darwin is the culmination of a development which Mandeville more than any other single man had started.

Yet Mandeville and Darwin still have one thing in common: the scandal they caused had ultimately the same source, and Darwin in this respect finished what Mandeville had begun. It is difficult to remember now, perhaps most difficult for those who hold religious views in their now prevailing form, how closely religion was not long ago still associated with the 'argument from design'. The discovery of an astounding order which no man had designed was for most men the chief evidence for the existence of a personal creator. In the moral and political sphere Mandeville and Hume did show that the sense of justice and probity on which the order in this sphere rested was not originally implanted in man's mind but had, like that mind itself, grown in a process of gradual evolution which at least in principle we might learn to understand. The revulsion against this suggestion was quite as great as that caused more than a century later when it was shown that the marvels of the organism could no longer be adduced as proof of special design. Perhaps I should have said that the process began with Kepler and Newton. But if it began and ended with a growing insight into what determined the kosmos of nature, it seems that the shock caused by the discovery that the moral and political kosmos was also the result of a

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[70] Adam Ferguson, *An Essay on the History of Civil Society* (Edinburgh: Edinburgh University Press, 1767), p. 187: "Every step and every movement of the multitude, even in what are termed enlightened ages, are made with equal blindness to the future; and nations stumble upon establishments, which are indeed the result of human action, but not the execution of any human design. If Cromwell said, That a man never mounts higher than when he knows not wither he is going; it may with more reason be affirmed of communities, that they admit of the greatest revolutions where no change is intended, and that the most refined politicians do not always know wither they are leading the state by their projects."

[71] It may deserve notice that J.G.Herder seems to have been the earliest instance where the influence of Mandeville joined with that of the somewhat similar ideas of G.Vico.

[72] It would seem as if it had been largely by way of Savigny that those ideas of Mandeville and Hume eventually reached Carl Menger and thus returned to economic theory. It was in the sociological parts of his *Untersuchungen über die Methode* (1883), translated as *Problems of Economics and Sociology,* ed. Louis Schneider (Urbana, Ill.: University of Illinois Press, 1963), that Carl Menger not only restated the general theory of the formation of law, morals, money, and the market in a manner which, I

process of evolution and not of design contributed no less to produce what we call the modern mind.

Addendum: Bernard Mandeville[74]

Bernard Mandeville was born in 1670 in Rotterdam as the scion of a family of medical doctors named 'de Mandeville'—a title that he himself did not use—that had been active in Holland for at least three generations. He studied medicine at the University of Leiden, where in 1691 he achieved the rank of doctor, specialising in nervous and digestive illnesses. Not long afterwards he moved to London, where within a few years he attained a successful practice and distinguished position. After publishing three Latin essays on medical questions while still living in Holland, and also a few minor literary essays in English, his work in social philosophy began in 1705 with his publication of a satirical poem called "The Grumbling Hive, or Knaves turn'd Honest". Although this work already contained the basic ideas of his later work and was a popular success, it nonetheless found hardly any serious attention. Similarly, the first book edition of 1714—published under the title *The Fable of the Bees: or, Private Vices, Publick Benefits,* in which the poem was followed by a detailed commentary entitled "An Inquiry into the Origin of Moral Virtue", as well as a series of "Remarks"-—enjoyed little real notice. Only the third edition of 1723 (which was designated as the second edition) aroused not only great attention but even public scandal. In this edition the "Remarks" were substantially expanded and an "Essay on Charity Schools" was added. Overlooking a few minor works, this was followed in 1729 by *The Fable of the Bees, Part II,* Mandeville's most mature work, and in 1732, the year of his

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believe, had never again been attempted since Hume, but that he also expressed the fundamental insight that (p. 94 of the translation): "This genetic insight is inseparable from the idea of theoretical science." Perhaps it also deserves notice here, since this seems not to be generally known, that, through his pupil Richard Thurnwald, Menger exercised some influence on the rise of modern cultural anthropology, the discipline which more than any other has in our day concentrated on what were the central problems of the Mandeville-Hume-Smith-Ferguson tradition. Cf. also the long extracts from Mandeville now given in J.S.Slotkin, ed., *Readings in Early Anthropology* (Chicago: Aldine Publishing, 1965).

[73] On the influence on Charles Darwin of conceptions derived from social theory see E.Radl, *Geschichte der biologischen Theorien,* ii (Leipzig: W.Engelmann, 1909), esp. p. 121.

death, *A Letter to Dion,* a debate with an anonymous critic about the philosophy of Bishop Berkeley.

The subtitle of *The Fable of the Bees*—"Private Vices, Publick Benefits"—expresses in paradoxical form Mandeville's main thesis, which, set out in the original poem in half-jesting form, led to ever more serious philosophical considerations about questions of ethics and social philosophy. In the realm of ethics Mandeville failed to resolve the paradox which is posed by the opposition between a rigorous ethics of duty and a study of human actions from the standpoint of utility.

The lively contrast between the self-interested motives and the beneficent consequences of human action was nonetheless exceptionally influential and the discussion of ethical and social philosophy in the middle of the eighteenth century is dominated by its influence, even where Mandeville's book, branded as immoral and godless, went unmentioned.

The significance of Mandeville lies not so much in his particular contribution to economic theory, where he generally (as in the discussion of luxury) introduces only prevailing and often erroneous opinions to illustrate his thesis and really only achieved an important contribution in his working out of the concept of division of labour. The significant step forward which he represents consists in the general application of the idea of *development* to social arrangements, something which before him had been attempted only in the area of the law.

Not only in the areas of morality and convention, but also for language and money, he shows clearly how the preservation of more advantagous and the elimination of less profitable practices and usages leads to cumulative growth of extremely complicated structures which serve human goals and form the basis of culture without ever having been consciously designed. This methodological position, developed in deliberate opposition to the rationalism of Thomas Hobbes, René Descartes, and in part also of John Locke, has become of the greatest importance for the theory of the social sciences. From Mandeville there flows a direct line to David Hume and then on the one side to Adam

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[74] [Hayek published this brief article on Mandeville in the *Handwörterbuch der Sozialwissenschaften* (Stuttgart-Tübingen-Göttingen), vol. 7, 1959, pp. 116–117. It is translated into English for the first time here. The translation is by the General Editor. -Ed.]

Smith, Adam Ferguson, and Edmund Burke, and on the other side to Jeremy Bentham and the utilitarians.

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[Hayek appended the above references to his original article. For recent studies of Mandeville, see M.M.Goldsmith, *Private Vices, Public Benefits: Bernard Mandeville's Social and Political Thought* (Cambridge and New York: Cambridge University Press, 1985); Thomas A.Horne, *The Social Thought of Bernard Mandeville: Virtue and Commerce in Early Eighteenth-Century England* (London: Macmillan, 1978); Harry Landreth, "The Economic Thought of Bernard Mandeville", *History of Political Economy,* vol. 7, no. 2, Summer 1975, pp. 193–208; Irwin Primer, ed., *Mandeville Studies* (The Hague: Martinus Nijhoff, 1975); N.Rosenberg, "Mandeville, Bernard", in *The New Palgrave: A Dictionary of Economics,* ed. Eatwell, Milgate, and Newman (London: Macmillan, 1987), vol. 3, pp. 297–298; and Louis Schneider, *Paradox and Society: The Work of Bernard Mandeville* (New Brunswick, N.J.: Transaction Books, 1986). -Ed.]