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MANDEVILLE AND LAISSEZ-FAIRE

BY NATHAN ROSENBERG

There is nothing so universally sincere upon Earth, as the Love which all Creatures, that are capable of any, bear to themselves.¹

It is a well-established tradition in dealing with the development of economic thought in the XVIIIth century to make a brief obeisance to Bernard Mandeville as some sort of "precursor" of Adam Smith, laissez-faire, and all that. According to one's personal tastes, it is also the usual practice to select for quotation some choice tidbits from *The Fable of the Bees*, paying little or no attention to Mandeville's extensive prose commentaries, and then to proceed to other things. This treatment of Mandeville as an important ideological forerunner of Adam Smith and spokesman for laissez-faire has been forcefully presented by F. B. Kaye in the introduction to his definitive edition of *The Fable of the Bees*. Kaye argues there that

In the *Fable* Mandeville maintains, and maintains explicitly, the theory at present known as the *laissez-faire* theory, which dominated modern economic thought for a hundred years and is still a potent force. . . . *The Fable of the Bees*, I believe, was one of the chief literary sources of the doctrine of *laissez-faire*.²

Kaye's point of view has been widely disseminated³ (frequently without Kaye's qualifications and without his stress upon Mandeville's philosophical individualism). Mandeville's deliberately paradoxical subtitle, "Private Vices, Publick Benefits," has been frequently cited as representing an embodiment of the newly-emerging laissez-faire philosophy.

Although the view has thus been accorded wide currency that Mandeville adhered to, and espoused, a fundamentally laissez-faire ideology, it is a position which has been strongly opposed by no less an authority than Professor Viner:

¹ Bernard Mandeville, *The Fable of the Bees* (2 vols., Oxford, 1924), ed. F. B. Kaye, I, 200. *The Fable of the Bees* will subsequently be cited as *Fable*.

² *Fable*, I, cxxxix-cxl.

³ For example, A. Chalk, "The Rise of Economic Individualism," *Journal of Political Economy* (August 1951), 347: ". . . there is much justification for F. B. Kaye's assertion that Mandeville's *Fable of the Bees* is the first *systematic* presentation of the laissez-faire philosophy." In a footnote, Chalk adds: "In the *Fable*, Mandeville applies the principle of self-interest to virtually all spheres of economic activity. The unifying thread is, of course, natural law, for the beneficent social effects of the pursuit of self-interest flow 'naturally' and spontaneously from the operation of a laissez-faire system." Cf. also article on "Mandeville" in *Encyclopedia of the Social Sciences*, X, 93, 94.

Many scholars, including economists who should know better, regard Mandeville as a pioneer expounder of laissez-faire individualism in the economic field and as such as an anticipator of Adam Smith. . . . It is a common misinterpretation of Mandeville . . . to read his motto, "Private Vices, Publick Benefits," as a laissez-faire motto, postulating the natural or spontaneous harmony between individual interests and the public good. The motto as it appeared on title pages of *The Fable of the Bees* was elliptical. In his text, Mandeville repeatedly stated that it was by "the skilful Management of the clever Politician" that private vices could be made to serve the public good, thus ridding the formula of any implication of laissez-faire.⁴

Viner argues, then, that Mandeville was not, as Kaye and numerous economists had asserted, an advocate of laissez-faire. Although he strikes a cautionary note on the hazards of applying ". . . to 18th century writers modern ideas as to the dividing line between 'interventionists' and exponents of 'liberalism' or of 'laissez-faire,'" ⁵ Professor Viner seems content to permit Mandeville to be identified as an exponent of state intervention.⁶

It is the purpose of this paper to explore and, it is hoped, to resolve the problems posed by these apparently conflicting interpretations of Mandeville's work. What actions does Mandeville regard as appropriate to "the skilful Management of the clever Politician"?

A convenient place to start, and one which will serve also to clear the ground for subsequent discussion, is Mandeville's treatment of foreign trade. Mandeville was clearly a Mercantilist in the specific sense of being intensely concerned with the importance of regulating a country's trade balance with the rest of the world for the purpose of assuring an excess, in value terms, of exports over imports.

⁴ Jacob Viner, *Introd. to Bernard Mandeville, A Letter to Dion* (Augustan Reprint Society, Berkeley, Cal., 1953), 11, 13-14. Reprinted in Jacob Viner, *The Long View and the Short* (Glencoe, Ill., 1958), 332-42. Cf. also Viner's review of Schumpeter's *History of Economic Analysis* (*American Economic Review* [Dec. 1954]), 904, ft. 7. (Also reprinted in Jacob Viner, *The Long View and the Short*, 343-65.) Although Professor Viner deals with Mandeville only very briefly in his *Studies in the Theory of International Trade* (N. Y., 1937), he seems at that time to have adhered to the interpretation of Mandeville which he has more recently criticized: "More important, in preparing the way for Adam Smith, was Mandeville's more elaborate reasoning in support of individualism and laissez-faire, resting on his famous argument that 'private vices' such as 'avarice' and luxury were 'public benefits'" (99). This is cited so that members of the economics profession who regard themselves as proper objects of Professor Viner's gentle rebuke to "economists who should know better," may know that they are at least members of a company sufficiently distinguished to include an earlier Viner.

⁵ Viner, *A Letter to Dion*, 12.

⁶ ". . . Helvetius as an apostle of state intervention was not only not departing from Mandeville but was echoing him even as to language. Helvetius said that motives of personal temporal interest sufficed for the formation of a good society, provided they were 'maniés avec adresse par un législateur habile.'" *Ibid.*, 15.

Every Government ought to be thoroughly acquainted with, and stedfastly to pursue the Interest of the Country. Good Politicians by dextrous Management, laying heavy Impositions on some Goods, or totally prohibiting them, and lowering the Duties on others, may always turn and divert the Course of Trade which way they please . . . above all, they'll keep a watchful Eye over the Balance of Trade in general, and never suffer that all the Foreign Commodities together, that are imported in one Year, shall exceed in Value what of their own Growth or Manufacture is in the same exported to others.⁷

Although Mandeville thus completely embraced the central policy prescription of mercantilism, it is worth noting that he seems to have been brought to this position at least in some measure as a result of his preoccupation with the problem of luxury, and as a result of his attempt to demonstrate that a taste for luxury was not necessarily economically harmful. Mandeville's most important discussions of the necessity of controlling foreign trade, in order to assure a favorable balance, occur in contexts where he is attempting to prove that national impoverishment need not inevitably follow from the development of a taste for luxury goods. Typically, he seems to be saying that so long as we exert the appropriate controls over our imports of foreign luxury goods, and keep a watchful eye on the overall foreign trade balance, we need never worry that we shall be impoverished by such tastes.

. . . What I have insisted on the most, and repeated more than once, is the great Regard that is to be had to the Balance of Trade, and the Care the Legislature ought to take that the Yearly Imports never exceed the Exports; and where this is observed, and the other things I spoke of are not neglected, I still continue to assert that no Foreign Luxury can undo a Country. . . .⁸

Although Mandeville, moreover, was free of many of the grosser forms of Mercantilist errors (he did not, e.g. ever identify or confuse a country's wealth or income with its money supply),⁹ he may un-

⁷ *Fable*, I, 115–16. Mandeville adds, significantly: "Note, that I speak now of the Interest of those Nations that have no Gold or Silver of their own Growth, otherwise this Maxim need not to be so much insisted on" (116). Cf. also I, 249.

⁸ *Fable*, I, 249. The passage occurs in a brief addendum which Mandeville attached to later editions of the *Fable*. Cf. also *Fable*, I, 108–16 and *A Letter to Dion*, 41–45.

⁹ Spain, indeed, Mandeville regards as having been ruined partly by "too much money." ". . . by *too much Money*, the making of Colonies and other Mismanagements, of which it was the occasion, Spain is from a fruitful and well-peopled Country, with all its mighty Titles and Possessions, made a barren and empty Thoroughfare, thro' which Gold and Silver pass from America to the rest of the World; and the Nation, from a rich, acute, diligent and laborious, become slow, idle, proud and beggarly People; so much for Spain" (*Fable*, I, 196). On a more

questionably be categorized as a Mercantilist in the sense that he recommended that the government ought to intervene in the normal market processes, with the use of a variety of regulatory devices, for the purpose of assuring the maintenance of a "favorable" balance of trade.

It should be understood that the subsequent discussion, except where otherwise noted, deals with Mandeville's views respecting the domestic economy alone, divorced from its trade nexus with the rest of the world.

It will be argued here that Mandeville, when he is not dealing specifically with matters pertaining to foreign trade, presents a fairly well-articulated conception of the rôle of government in economic and social affairs which is not adequately encompassed by such terms as "mercantilism," "interventionism," or "laissez-faire," at least in their more generally-accepted connotations. However, the mere demonstration that Mandeville's intellectual product was, in some important respects, *differentiated* from these groups would be, by itself, of limited interest. It will be further suggested that, if interpreted sympathetically, Mandeville's writings contain a treatment of the process of social change and a conception of the rôle of government which were in important respects more sophisticated and certainly much more interesting than the ones comprehended in the intellectual tradition of laissez-faire.

This conception is due, primarily, to Mandeville's evolutionary treatment of social development and human institutions.¹⁰ Although much of Mandeville's discussion of the origin and growth of human society is essentially allegorical and not to be regarded as an historical account, it manifests what Kaye calls "his precocious feeling for evolution."¹¹ Human institutions are not to be regarded as the product of human ingenuity, much less the result of a single mind. They are, rather, the fruits of a long and gradual growth process. The results of this evolution are not only contrivances beyond the ingenuity of individuals; once they have evolved, they multiply manifold the otherwise crude and limited abilities of the individual human agent.

positive note, Mandeville states: ". . . let the Value of Gold and Silver either rise or fall, the Enjoyment of all Societies will ever depend upon the Fruits of the Earth, and the Labour of the People; both which joined together are a more certain, a more inexhaustible, and a more real Treasure, than the Gold of Brazil, or the Silver of Potosi" (*Fable*, I, 197-198).

¹⁰ This component of Mandeville's thought was clearly recognized by Kaye (*Fable*, I, Introduction, lxiv-lxvi) but, even though he accorded it explicit treatment, he did not adequately relate it to the main body of Mandeville's economic ideas. It was partly from the failure to do so that Kaye was able to remain satisfied with his treatment of Mandeville as an early exponent of the doctrine of laissez-faire.

¹¹ *Fable*, Introduction, lxv.

To Men who never turn'd their Thoughts that way, it certainly is almost inconceivable to what prodigious Height, from next to nothing, some Arts may be and have been raised by human Industry and Application, by the uninterrupted Labour, and joint Experience of many Ages, tho' none but Men of ordinary Capacity should ever be employ'd in them. What a Noble as well as Beautiful, what a glorious Machine is a First-Rate Man of War, when she is under Sail, well rigg'd and well mann'd! As in Bulk and Weight it is vastly superior to any other moveable Body of human Invention, so there is no other that has an equal Variety of differently surprizing Contrivances to boast of. There are many Sets of Hands in the Nation, that, not wanting proper Materials, would be able in less than half a Year to produce, fit out, and navigate a First-Rate: yet it is certain, that this Task would be impracticable, if it was not divided and subdivided into a great Variety of different Labours; and it is as certain, that none of these Labours require any other, than working Men of ordinary Capacities.

From this it is concluded

That we often ascribe to the Excellency of Man's Genius, and the Depth of his Penetration, what is in Reality owing to length of Time, and the Experience of many Generations, all of them very little differing from one another in natural Parts and Sagacity.¹²

Mandeville's evolutionary perspective permeates all of his thinking. Man's greatest accomplishments have come about through this process of slow and almost imperceptible development over many generations. They are the product, not of inspiration (either human or divine) but of the collective experience of the human race. Even language and the faculty of speech, Mandeville argues, have come into the world "By slow degrees, as all other Arts and Sciences have done, and length of time; Agriculture, Physick, Astronomy, Architecture, Painting, &c."¹³ It is within this context of Mandeville's conception of evolutionary development that we must consider what is the best-known ingredient of his social analysis and his chief claim to notoriety: i.e. his tireless emphasis on the central rôle of man's egotism and self-regarding qualities in creating a smoothly-functioning social system. Man is a compound of passions (desires, appetites) which have been implanted in him by nature, and his actions at any time are to be explained in terms of those of his appetites—fear, anger, hunger, lust, pride, envy, avarice—which happen to be uppermost. ". . .the Sociableness of Man arises only from these Two things, viz. The multiplicity of his Desires, and the continual Opposition he

¹² *Fable*, II, 141–2. Cf. also *Fable*, II, 186–7: ". . . the Works of Art and human Invention are all very lame and defective, and most of them pitifully mean at first: Our Knowledge is advanced by slow Degrees, and some Arts and Sciences require the Experience of many Ages, before they can be brought to any tolerable Perfection.

¹³ *Fable*, II, 287.

meets with in his Endeavours to gratify them" (*Fable*, I, 344). The growth of human society is to be seen as an extensive historical process whereby human relationships have been so contrived and manipulated that man's pursuit of his self-interest is rendered at least consistent with the larger needs of society.

. . . no Societies could have sprung from the Amiable Virtues and Loving Qualities of Man, but on the contrary . . . all of them must have had their Origin from his Wants, his Imperfections, and the variety of his Appetites: We shall find likewise that the more their Pride and Vanity are display'd and all their Desires enlarg'd, the more capable they must be of being rais'd into large and vastly numerous Societies. . . .

I hope the Reader knows that by Society I understand a Body Politick, in which Man either subdued by Superior Force, or by Persuasion drawn from his Savage State, is become a Disciplin'd Creature, that can find his own Ends in Labouring for others, and where under one Head or other Form of Government each Member is render'd Subservient to the Whole, and all of them by cunning Management are made to Act as one.¹⁴

When Mandeville states, in the closing sentence of *A Search into the Nature of Society*, that "Private Vices by the dextrous Management of a skilful Politician may be turned into Publick Benefits," he is not so much stating an interventionist policy maxim as attempting to generalize about a central aspect in man's past progress as a social animal. In the context of this essay he is saying that the nature and development of civilized institutions are owing primarily to man's vices—i.e. his self-seeking behavior, his pride, vanity and cupidity.¹⁵ "Dextrous Management" is not to be taken as the advocacy of a policy of continuous government intervention in domestic market processes; rather, it is a way of stating that the welfare of society has been most advanced by the introduction and diffusion of laws and institutions which best utilize man's basic passions and which channel his energies into socially-useful activities. "Private Vices, Publick Benefits" is indeed highly elliptical because it does not indicate the nature of the mechanism by which this beneficent social transformation is made to take place. However, even to say, as Mandeville does, that it is through ". . . the dextrous Management of a skilful Politician," is a

¹⁴ *Fable*, I, 346–47.

¹⁵ In the penultimate paragraph of *A Search into the Nature of Society*, Mandeville states: ". . . I flatter my self to have demonstrated that, neither the Friendly Qualities and kind Affections that are natural to Man, nor the real Virtues he is capable of acquiring by Reason and Self-Denial, are the Foundation of Society; but that what we call Evil in this World, Moral as well as Natural, is the grand Principle that makes us sociable Creatures, the solid Basis, the Life and Support of all Trades and Employments without Exception: That there we must look for the true Origin of all Arts and Sciences, and that the Moment Evil ceases, the Society must be spoiled, if not totally dissolved" (*Fable*, I, 369).

highly inept summary in that it really mis-states the historical rôle which Mandeville's own analysis accords to the politician.

A continuous thread running throughout all of Mandeville's work is that (a) man is a bundle of very specific passions and appetites which dominate his behavior, and that to pretend otherwise is sheer hypocrisy,¹⁶ and (b) the function of government is to establish an environment of such a nature that the individual's attempt to gratify his passions will result in actions which are meritorious from the point of view of the goals of the state. It is at this juncture that we arrive at the essence of the conflicting interpretations of Mandeville. The traditional categories of interventionism and laissez-faire are inadequate to convey the position of someone who wishes the government to intervene in the affairs of the domestic economy, but only in order that it may establish a social and legal framework within which the interaction of self-seeking egos will result in an orderly satisfaction of man's economic needs. In this sense most commentators on Mandeville have taken hold of an authentic piece of his analysis but have misconstrued the part for the whole.

Mandeville is emphatically not *advocating* interventionism as a long-run practice of government, in the sense that he believes that government should be endowed with the power to make *arbitrary* interventions in normal market processes. Mandeville was, indeed, an interventionist, as Viner insists. But he was a rather unique sort of interventionist. He intended that the ultimate result of these interventions would be the creation of a society which would "run itself"—i.e. the work of the politician is not to repress man's egoistic impulses and action, but to provide the channels or grooves along which these impulses may be asserted. A social framework which has been appropriately contrived will do this automatically, but the development of such a framework—although it is the primary task of the politician—is a task of extraordinary delicacy and complexity.

Whoever would civilize Men, and establish them into a Body Politick, must be thoroughly acquainted with all the Passions and Appetites, Strength and Weaknesses of their Frame, and understand how to turn their greatest Frailties to the Advantage of the Publick.¹⁷

¹⁶ Although Mandeville is astute enough to perceive that a certain amount of hypocrisy is indispensable in a society characterized by extensive economic interdependence: ". . . it is impossible we could be sociable Creatures without Hypocrisy . . . In all Civil Societies Men are taught insensibly to be Hypocrites from their Cradle, no body dares to own that he gets by Publick Calamities, or even by the Loss of Private Persons. The Sexton would be stoned should he wish openly for the Death of the Parishioners, tho' every body knew that he had nothing else to live upon" (*Fable*, I, 349). The several paragraphs following, pp. 349-354, are strongly recommended as a masterful bit of social psychologizing.

¹⁷ *Fable*, I, 208. Elsewhere he states: "The Power and Sagacity as well as Labour

. . . all Lawgivers have two main Points to consider, at setting out; first, what things will procure Happiness to the Society under their Care; secondly, what Passions and Properties there are in Man's Nature, that may either promote or obstruct this Happiness.¹⁸

When Mandeville's spokesman, Cleomenes, is asked by Horatio, in the Sixth Dialogue, ". . . what is it at last, that raises opulent Cities and Powerful Nations from the smallest Beginnings?" Cleomenes answers in an illuminating fashion:

All the Ground Work, that is required to aggrandise Nations, you have seen in the *Fable of the Bees*. All sound Politicks, and the whole Art of governing, are entirely built upon the Knowledge of human Nature. The great Business in general of a Politician is to promote, and, if he can, reward all good and useful Actions on the one hand; and on the other, to punish, or at least discourage, every thing that is destructive or hurtful to Society.¹⁹

The function of the politician, then, is to establish appropriate "rules of the game," to structure the system of rewards and punishments in such a way that individuals, in pursuit of their private interests, will be induced to perform socially useful acts. This in turn, however, required that a truly extraordinary number of restraints be imposed upon human behavior since man's avarice and envy will otherwise suggest innumerable techniques whereby he may profit through purely predatory acts at the expense of his unfortunate neighbor.²⁰

Would you be convinc'd of these Truths, do but employ yourself for a Month or two, in surveying and minutely examining into every Art and Science, every Trade, Handicraft and Occupation, that are profess'd and follow'd in such a City as *London*; and all the Laws, Prohibitions, Ordinances and Restrictions, that have been found absolutely necessary, to hinder both private Men and Bodies corporate, in so many different Stations, first from interfering with the Publick Peace and Welfare; secondly, from openly wronging and secretly over-reaching, or any other way in-

and Care of the Politician in civilizing the Society, has been no where more conspicuous, than in the happy Contrivance of playing our Passions against one another" (*Fable*, I, 145). Also: ". . . it was not any Heathen Religion or other Idolatrous Superstition, that first put Man upon crossing his Appetites and subduing his dearest Inclinations, but the skillful Management of wary Politicians; and the nearer we search into human Nature, the more we shall be convinced, that the Moral Virtues are the Political Offspring which Flattery begot upon Pride" (*Fable*, I, 51). Cf. also I, 46-47, and *An Enquiry into the Origin of Honour*, 20.

¹⁸ *Fable*, II, 275.

¹⁹ *Ibid.*, 320-21.

²⁰ Cf. Adam Smith, *Wealth of Nations* (Modern Library Edition): "Such, it seems, is the natural insolence of man, that he almost always disdains to use the good instrument, except when he cannot or dare not use the bad one" (751). Cf. also Nathan Rosenberg, "Some Institutional Aspects of the *Wealth of Nations*," *The Journal of Political Economy* (December 1960), 557-70.

juring, one another: If you will give yourself this Trouble, you will find the Number of Clauses and Proviso's, to govern a large flourishing City well, to be prodigious beyond Imagination; and yet every one of them tending to the same Purpose, the curbing, restraining and disappointing the inordinate Passions, and hurtful Frailties of Man. You will find moreover, which is still more to be admired, the greater part of the Articles, in this vast Multitude of Regulations, when well understood, to be the Result of consummate Wisdom.²¹

Cleomenes immediately adds that, among the regulations he refers to, ". . . there are very few, that are the Work of one Man, or of one Generation; the greatest part of them are the Product, the joynt Labour of several Ages."²² The evolutionist conception, emphasized above, is even further underscored when Cleomenes, in the next sentence, urges Horatio to recall the shipbuilding analogy (discussed above) of the Third Dialogue.

Mandeville's discussion of the manner in which the social framework of the economy evolves, and the rôle of government in initiating alterations, makes abundantly clear how inadequate, for describing his system at least, is the firmly-established dichotomy between interventionism and laissez-faire²³ (or, for that matter, Elie Halévy's distinction between an artificial identification of interest and a natural identification of interest).²⁴ For a society where each individual's pursuit of his self-interest is made to harmonize with the interests of other individuals—such a society is, itself, the product not only of historical evolution: it is also, in a very meaningful sense, the *creation* of wise governments. The "dextrous Management" of such governments refers, not to interventionism in the sense in which this term is opposed to laissez-faire; it refers to the creation of a framework of wise laws. Mandeville, in fact, elucidates this meaning while employing precisely the terminology which provides one of the chief bases for his classification as an interventionist:

Horatio. According to your System, it [the art of governing] should be little more, than guarding against human Nature.

Cleomenes. But it is a great while, before that Nature can be rightly understood; and it is the Work of Ages to find out the true Use of the Pas-

²¹ *Fable*, II, 321.

²² *Fable*, II, 321–22.

²³ In his *An Essay on Charity*, Mandeville states a proposition which sounds very much like a later well-known maxim of laissez-faire: "It is the Business of the Publick to supply the Defects of the Society, and take that in hand first which is most neglected by private Persons" (*Fable*, I, 321). Mandeville, however, merely regards it as an essential function of government to remedy these "Defects." His statement does not define the *limits*, or impose a restriction, upon the legitimate activities of government, as would have been the case had he inserted the strategic word "only" into his sentence.

²⁴ Halévy, *The Growth of Philosophic Radicalism* (New York, 1949), 15–18.

sions, and to raise a Politician, that can make every Frailty of the Members add Strength to the whole Body, and by dextrous Management turn *private Vices into publick Benefits*.

Horatio. It must be a great Advantage to an Age, when many extraordinary Persons are born in it.

Cleomenes. It is not Genius, so much as Experience, that helps men to good Laws . . . the wisest Laws of human Invention are generally owing to the Evasions of bad Men, whose Cunning had eluded the Force of former Ordinances, that had been made with less Caution.²⁵

Once the appropriate system of laws has been developed, society will virtually run itself, driven almost entirely by the energy of individual egoisms. In other words, once the wisdom accrued from human experience and the understanding of human nature is embodied in an appropriate system of laws and regulations, the intervention of government in the day to day processes of economic activity will be minimized. Even the need for intelligence in office-holders will be minimal, since the system Mandeville visualizes is one where intelligence is, in effect, built into the institutional structure.²⁶ Such offices, therefore, need to be supplied only with mediocre abilities in order to function satisfactorily.²⁷

In attempting to explain the functioning and administration of a "well-ordered" city or state, Mandeville has frequent recourse to mechanical analogies. In all cases he means to convey the impression of precise and systematic division of function, interdependence, automaticity, and predictability of outcome regardless of the nature of the human materials involved. Referring to the astonishing human effort which must have gone into the development of musical clocks, "that are made to play several Tunes with great Exactness," Cleomenes suggests that

²⁵ *Fable*, II, 319.

²⁶ "In all Business that belongs to the *Exchequer*, the Constitution does nine parts in ten; and has taken effectual Care, that the happy Person, whom the King shall be pleas'd to favour with the Superintendency of it, should never be greatly tired or perplex'd with his Office" (*Fable*, II, 325).

²⁷ ". . . it is the Interest of every Nation to have their Home Government, and every Branch of the Civil Administration, so wisely contriv'd, that every Man of midling Capacity and Reputation may be fit for any of the highest Posts" (*Fable*, II, 323). In discussing the "present grandeur" of the Dutch, Mandeville insists that ". . . what they would ascribe to the Virtue and Honesty of Ministers, is wholly due to their strict Regulations, concerning the management of the publick Treasure, from which their admirable Form of Government will not suffer them to depart; and indeed one good Man may take another's Word, if they so agree, but a whole Nation ought never to trust to any Honesty, but what is built upon Necessity; for unhappy is the People, and their Constitution will be ever precarious, whose Welfare must depend upon the Virtues and Consciences of Ministers and Politicians" (*Fable*, I, 190). Cf. also *Fable*, II, 335.

There is something analogous to this in the Government of a flourishing City, that has lasted uninterrupted for several Ages: There is no Part of the wholesome Regulations, belonging to it, even the most trifling and minute, about which great Pains and Consideration have not been employ'd, as well as Length of Time; and if you will look into the History and Antiquity of any such City, you will find that the Changes, Repeals, Additions and Amendments, that have been made in and to the Laws and Ordinances by which it is ruled, are in Number prodigious: But that when once they are brought to as much Perfection, as Art and human Wisdom can carry them, the whole Machine may be made to play of itself, with as little Skill, as is required to wind up a Clock; and the Government of a large City, once put into good Order, the Magistrates only following their Noses, will continue to go right for a great while, tho' there was not a wise Man in it. . . .²⁸

This (and similar mechanical analogies) really expresses the nub of Mandeville's case.²⁹ Mandeville was searching for a system where arbitrary exertions of government power would be minimized. But this in turn required for its realization a social and legal framework which would induce people, out of a concern only for their own interests (and however they chose to define these interests) to perform acts of a socially-useful sort.³⁰ To be sure, this framework contains innumerable prohibitions, coercions, and constraints, but they are entirely predictable because they are embodied in public statutes and therefore they provide a basis for rational calculation and systematic goal-directed behavior. Mandeville believed that the most vital aspect of any society—its success or failure generally—depends upon the skill with which it is able to direct men's passions toward the achievement of goals defined by a larger collectivity. He is (as is not, with Mandeville, always the case) entirely serious when he states, in the Preface to the *Fable of the Bees*, that "Laws and Government are to the Political Bodies of Civil Societies, what the Vital Spirits and Life it self are to the Natural Bodies of Animated Creatures" (*Fable*, I, 3). And, if the present interpretation is correct, the *responsibility* for creating the most appropriate legal and political framework is peculiarly the task of the "skilful Politician."

²⁸ *Fable*, II, 322–23. Cf. also the knitting-frame simile, 322, and the reference to the weighted roasting spits, 325.

²⁹ And also provides, incidentally, some measure of the analytical gulf separating Mandeville from, say, Cantillon or Hume. With respect to economics, Mandeville had a fine intuition; but, at crucial points, he typically reasons by analogy instead of analysis.

³⁰ ". . . The whole Superstructure (of Civil Society) is made up of the reciprocal Services, which Men do to each other. How to get these Services perform'd by others, when we have Occasion for them, is the grand and almost constant Sollicitude in Life of every individual Person. To expect, that others should serve us for nothing, is unreasonable; therefore all Commerce, that Men can have together, must be a continual bartering of one thing for another" (*Fable*, II, 349).

Mandeville's own choice of language is also partly to blame for exaggerating the interventionist implications of his argument. His frequent references to the work of the ("cunning," "wary," "skilful," "clever") politician seem to imply conscious and deliberate interventionist actions on the part of particular individuals at specific points in historical time. In fact, his language represents an unfortunate way of telescoping what he regards as an essentially evolutionary process—unfortunate because the whole essence of the evolutionary aspect is blotted out by a terminological usage which fails utterly to convey his meaning. Mandeville's real meaning, however, is clarified in an important passage in his later work, *The Origin of Honour* (published in 1732):

Horatio. But, how are you sure, that this [the origin of honour] was the Work of Moralists and Politicians, as you seem to insinuate?

Cleomenes. I give those Names promiscuously to All that, having studied Human Nature, have endeavour'd to civilize Men, and render them more and more tractable, either for the Ease of Governours and Magistrates, or else for the Temporal Happiness of Society in general. I think of all Inventions of this Sort . . . that they are the joint Labour of Many. 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 a Notion, by which a rational Creature is kept in Awe for Fear of it Self, and an Idol is set up, that shall be its own Worshiper.³¹

Mandeville conceives, then, of the development of civilization as having involved a continuous and gradual evolution of human institutions in order to accommodate them most effectively to an intractable human nature.³² When, however, he reasons about the current organ-

³¹ *The Origin of Honour*, 40–41.

³² In *An Enquiry into the Origin of Honour*, Cleomenes indicates his agreement with Horatio when the latter states: "It is not in the Power then, you think, of Politicians to contradict the Passions, or deny the Existence of them, but that, when once they have allow'd them to be just and natural, they may guide Men in the Indulgence of them, as they please." Cleomenes then goes on to cite the institution of marriage as an example of the way in which legislators guide men in the indulgence of their passions, thereby forestalling the ". . . innumerable Mischiefs that would ensue . . ." were the relations between the sexes regulated only by "caprice" and "unruly fancy" (*The Origin of Honour*, 28–29). In *A Letter to Dion*, after discussing with approval the regulation of foreign trade, Mandeville offers his readers ". . . another Instance, how palpable and gross Vices may be, and are turn'd into Publick Benefits. It is the Business of all Law-givers to watch over the Publick Welfare, and, in order to procure that, to submit to any Inconveniency, any Evil, to prevent a much greater, if it is impossible to avoid that greater Evil at a cheaper Rate. Thus the Law, taking into Consideration the daily encrease of Rogues and Villains, has enacted, that if a Felon, before he is convicted himself, will impeach two or more of his Accomplices, or any other Malefactors, so that they are convicted of a Capital Crime, he shall be pardon'd and dismiss'd

ization of human society, he deliberately jumps from those aspects which immediately concern him, to the raw data of human nature (as he conceives it), thereby skipping the historical process by which the institutions developed, and substituting a functionalist type of explanation.³³ When concerned with the rôle or function of particular institutions in the human scheme of things, what is important is to demonstrate how these institutions serve a purpose by guiding men in the indulgence of specific passions. But, for such occasions, a genetic account of their origin and development is not important, even if the historical information were available. Since Mandeville's primary interests were with contemporary and not historical problems, he used the phrase ". . . the dextrous Management of the skilful Politician" most often as a convenient shorthand method for summarizing an essentially evolutionary process. However, even where the phrase appears as part of an explicitly normative assertion—dealing with actions government *ought* to take—his recommendations are usually (with the important exception of foreign trade) not of a sort which may properly be regarded as interventionist. We should distinguish here between:

1. Legislation which defines the legal and institutional framework within which economic action takes place (Sherman Anti-trust Act);
2. Legislation which attempts to achieve a specific end by government edict or coercion or by compelling people to behave in a manner which is not consistent with their economic interests as determined by market forces (Edict of Diocletian).

with a Reward in Money. There is no Doubt but this is a good and wise Law; for without such an Expedient, the Country would swarm with Robbers and Highwaymen Ten-times more than it does; for by this Means we are not only deliver'd from a greater Number of Villains, than we could expect to be from any other; but it likewise stops the Growth of them, breaks their Gangs, and hinders them from trusting One another." The moral which Mandeville draws—including the terminology with which he draws it—directly confirms the interpretation which is here being placed upon his work: "This shews the usefulness of such a Law, and at the same Time the Wisdom of the Politician, by whose skilful Management the Private Vices of the Worst of Men are made to turn to a Publick Benefit" (*A Letter to Dion*, 42-43, 45).

³³ "The restless Industry of Man to supply his Wants, and his constant Endeavours to meliorate his Condition upon Earth, have produced and brought to Perfection many useful Arts and Sciences, of which the Beginnings are of uncertain Aera's, and to which we can assign no other Causes, than human Sagacity in general, and the joynt Labour of many Ages. . . . When I have a Mind to dive into the Origin of any Maxim or political Invention, for the Use of Society in general, I don't trouble my Head with enquiring after the Time or Country, in which it was first heard of, nor what others have wrote or said about it; but I go directly to the Fountain Head, human Nature itself, and look for the Frailty or Defect in Man, that is remedy'd or supply'd by that Invention. . . ." (*Fable*, II, 128). Cf. also *Fable*, II, 271.

On this basis, *most* of Mandeville's recommendations dealing with the domestic economy fall into the first category, and the logic of his argument, as developed in this paper, points overwhelmingly to such an interpretation. Mandeville's primary interest was not in interfering with the processes of the market place but in assuring that such processes worked out to socially-desirable ends. His conception of what was socially-desirable—indeed his whole conception of social welfare—was extraordinarily limited, but that takes us beyond the scope of the present paper.

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