

# From Mandeville to the Mont Pelerin Society: the satanic 'Doctor' Novak

by Carlos Cota Meza

At the meeting of the Mont Pelerin Society in Cancún on Jan. 14-17, special homage was paid to Michael Novak, who has won undeserved fame for having created a "religious" argument in favor of free trade. Novak's argument, variously known as "neo-liberalism" or "neo-conservatism," is bandied about in Ibero-America as proof of a supposed defense of the doctrine of free trade by the "teachings" of the Catholic Church.

Among Novak's better-known works are *This Hemisphere of Liberty: A Philosophy of the Americas*, and *The Spirit of Democratic Capitalism*, a bizarre admixture of Aristotle, Adam Smith, and biblical passages.

Novak is a former seminarian and, say his apologists, he can be trusted because he is a convert from socialism to Catholicism. He began his public life as a participant in the schismatic circles around Hans Küng, at which point he wrote *The Open Church*, in which Novak promotes the use of artificial contraception and attacks the Vatican's opposition to birth control. Novak also wrote something around this time that says much about his sexual proclivities: "Dual Sex Eucharist," in which he claimed that "the Christian man was expected to become, as it were, androgynous—to make his own the virtue of the feminine ideal."

From this it can be inferred that for Novak, the ideal Catholic man would be pop singer Michael Jackson.

Since the late 1970s, Novak's bases of operations have been the American Enterprise Institute (AEI) in Washington, D.C., and his own Institute on Religion and Democracy. The major contributors to both institutions include a "Who's Who" of members of the Anglo-American banking community who are fanatical advocates of George Bush's "new world order" and, some of them, participants in Oliver North's Iran-Contra drugs-for-arms networks (see *EIR*, Jan 29, 1993).

Michael Novak is as perverse as can be expected of a follower of the "philosophical" teachings of a certain Dr. Bernard de Mandeville (1670-1733). The true intellectual father of the whole neo-liberal school, Mandeville is the fountain from which flows the rottenness known as the Mont Pelerin Society.

## Origins of the Mont Pelerin Society

From being a semi-secret organization, one highly meticulous in terms of whom it allowed within its ranks, the Mont

Pelerin Society is increasingly becoming more open in presenting its policy proposals and identifying its members.

The Society had its formal start in 1947, following World War II, when the Austrian-born economist Friedrich von Hayek gathered a group of 36 academics—mostly economists, plus some historians and philosophers—for 10 days at the Park Hotel, facing Lake Lemán, in Mont Pelerin, Switzerland.

The first undertaking of these academics to rebuild the Conservative Revolution, following the defeat of fascism, was to establish that the "foundations of liberty" were the economic principles that they themselves advocated, and that the dirigist economic policies which President Franklin D. Roosevelt implemented to get the United States out of the Depression and to defeat the Axis powers, must be uprooted. The stated objective of the Society was to keep alive the physiocratic-utilitarian economic thought that is known today as "neo-liberalism" or "neo-conservatism," or better yet, as the Conservative Revolution. Adam Smith exemplifies that current.

Friedrich von Hayek wrote his book *Road to Serfdom* in 1944, in which he summarizes the thinking of the Austrian School of Economics, founded by Karl Menger (1840-1921). A self-described utilitarian-physiocrat, Menger equated every European attempt to industrialize during the last century, with "socialism." He attacked the ideas associated with the founder of the American System, Alexander Hamilton, and American System economists Henry and Mathew Carey, as "statist," a term he used as a synonym for "totalitarian." Menger is credited with the revival of the "sociological" or "psychological" theory of political economy, which holds that an object's value is determined by the usefulness it has for the consumer.

Von Hayek treats fascism, which he always refers to as National Socialism, as a classical expression of statist totalitarianism. He argues that all forms of *State dirigism* strangle the free market and inevitably lead to Hitlerian or socialist totalitarianism. He was awarded the Nobel Prize for Economics in 1974.

The predecessor of the Mont Pelerin Society was the Society for the Renovation of Liberalism, headed by Ludwig von Mises, another ideologue of the Austrian School and one of the co-founders of the Mont Pelerin Society. Others in von Mises group included the Mexican Luis Montes de Oca

(1894-1958), and Frank Knight and Henry Simons, both of whom would later train Milton Friedman at the University of Chicago.

Friedman, the 1976 Nobel Prize laureate in economics, is also a member of Mont Pelerin. In fact, a goodly number of the recipients of the Nobel Prize in Economics are either tied directly to the Mont Pelerin Society or have been indoctrinated by it. Besides von Hayek and Friedman, other members of Mont Pelerin who have been given the Nobel Prize include George Stigler (1982), James Buchanan (1987), and Gary Becker (1992).

### **Dr. Bernard Mandeville**

On March 23, 1966, Friedrich von Hayek gave a lecture at the British Academy on "Dr. Bernard Mandeville." Von Hayek lauded Mandeville as "a master mind" and the inventor of modern psychology. According to von Hayek, Mandeville was the seminal influence in the thinking of Adam Smith, David Hume, Charles Darwin, Jeremy Bentham, and others. In fact, it was Mandeville who inspired Adam Smith's arguments in favor of free trade, said von Hayek.

So, who was this Dr. Mandeville, whom the founder of the Mont Pelerin Society holds in such high esteem, and to whom he accords such intellectual transcendence in this day and age?

Von Hayek's lecture was apparently inspired by a biographical monograph of Mandeville by F.B. Kaye, which has been incorporated into the modern editions of *The Fable of the Bees*, Mandeville's *magnum opus*, since 1924.

In his monograph, originally presented as his doctoral dissertation from Yale University in 1917, Kaye successfully sought to prove that Mandeville was not only the author of the "ethical system" developed by Adam Smith in his *Theory of Moral Sentiments*, but that he was also the primary influence for the "theories" of free trade and division of labor that Smith develops in his *The Wealth of Nations*. Kaye also demonstrated, with a high degree of precision, the decisive influence that Mandeville had in bringing about the cultural-political movement known as the Enlightenment of the 18th century.

Bernard Mandeville was born in Holland. A medical doctor by training, he moved to London where he became well known for his licentiousness, and his leading role in the satanic Hell-Fire Clubs. There exists, in the British Museum in London, evidence that Mandeville was a protégé of Sir Hans Sloane, the court physician, and of the Earl of Macclesfield, the Lord Chancellor. There is also evidence that he was one of the shareholders of the South Seas Company, the largest speculative and defrauding undertaking of the 18th century.

In 1714, when Mandeville was 44, his book *The Fable of the Bees; or Private Vices, Public Benefits*, was published. The first volume is made up of six parts: "The Grumbling Hive," "An Enquiry into the Origins of Moral Virtue," "Remarks" (on the Grumbling Hive), "An Essay on Charity and



*Pseudo-Catholic Michael Novak, the intellectual offspring of the evil Dr. Bernard de Mandeville.*

Charity-Schools," "A Search into the Nature of Society," and "A Vindication of the Book." Volume II is composed of six dialogues among Horatio, Cleomenes, and Fulvia, which are nothing else than a satanic manual, as can be seen from the following excerpt:

**Horatio:** That Vileness of our Species in the refin'd Way of thinking that you have of late been so fond of, I call it the Scheme of Deformity, the Partizans of which study chiefly to make every thing in our Nature appear as ugly and contemptible as it is possible, and take uncommon Pains to perswade Men that they are Devils.

**Cleomenes:** If that be all, I shall soon convince you.

In all of Mandeville's writings, the axiomatic assumption is that the Seven Deadly Sins are inherent in "human nature." If all acts were suppressed, save those that were selfless, or done for the sake of pure goodness or the love of God, then commerce would cease, the arts would be unnecessary, and most trades would be abandoned, because all of these things exist to satisfy purely mundane appetites, which are all selfish.

According to Mandeville, if the nature of man is vicious, then those things that are of benefit to him, proceed from a vicious cause, and, thus, private vices make for public prosperity.

Mandeville develops this axiom in his so-called poem "The Grumbling Hive." Men, as the bees of a busy and prosperous hive, strive, some to hide from others their sloth, lust,

avarice, and pride. Envy and vanity are the wheels that move industry and trade. Anger arises “when we are cross’d or disturb’d in our desires.”

Mandeville summarizes the “moral” of “The Grumbling Hive,” as follows: One day the god Jupiter, in response to the insect-men’s grumbings about their own misdeeds, rids the hive of fraud, and fills the hearts of all with honesty. At that moment, all economic activity ceases and the hive (i.e., society) disappears.

In Mandeville’s words:

Then leave Complaints: Fools only strive  
To make a Great and honest Hive.  
To enjoy the World’s conveniencies  
Be famed in War, yet live in Ease  
Without Great Vices, is a vain  
Eutopia seated in the Brain.  
Fraud, Luxury and Pride must live  
Whilst we the Benefits receive. . . .  
Bare Virtue can’t make Nations live  
In Splendor; they, that would revive  
A Golden Age, must be as free,  
For Acorns, as for Honesty.

Based on “The Grumbling Hive” and his “Remarks,” Mandeville redefines the Seven Deadly Sins, which he re-names “Appetites,” and their respective virtues:

1. *Arrogance (Pride)/Humility*: This is because we think we are superior to creation. Humility is how we hide our pride.

2. *Anger/Forbearance*: Anger is the passion that takes hold of us when our desires are crossed or disturbed. Forbearance is fear, the only useful passion that man can contribute to peace and tranquility.

3. *Gluttony/Temperance*: Temperance (honor) is the fear of the opinion of others.

4. *Lust/Chastity*: Chastity is nothing else than an artificial masquerade for lust. It suffocates and hides the natural inclinations for the propagation of our species.

5. *Envy/Charity*: Envy is the engine of industry and commerce. Charity is merely an artifice that promotes sloth.

6. *Avarice/Prodigality*: Together, they are the noblest of sins. Avarice is the yearning for riches to spend.

7. *Sloth/Industriousness*: Sloth is caused by religious belief, and industriousness is only achieved by striving to gratify our own selfish desires.

The model developed by Mandeville is that of man as a compound of various selfish passions. By having free rein in society, the threat of anarchy is harmonized by other opposing selfish acts (fear, primarily), thus achieving the public benefit. Later, this would be known as *laissez-faire*.

### Laissez-faire or Lucifer?

One of the ways through which the Mont Pelerin Society has kept its origins under wraps, is by keeping the works of Bernard Mandeville from general public scrutiny, as secret

knowledge for its initiates. When Mandeville is mentioned in public, he is described as an “amusing” and “entertaining” fellow.

But, if one reviews Mandeville’s “philosophical” essays, one discovers that he is the supreme ideologue of evil: He is insistent that man’s fundamental nature is vice, and that any moral or religious precept is mere foolery. For example, in his *Enquiry into the Origins of Moral Virtue*, Mandeville argues:

“None were either so savage as not to be charm’d with Praise, or so despicable as patiently to bear Contempt. . . . Flattery must be the most powerful Argument that could be used to Human Creatures.”

The principal “flattery,” he suggests, is the absurd notion that man is made in the image and likeness of God.

“They agreed with the rest, to call every thing, which, without Regard to the Publick, Man should commit to gratify any of his Appetites, *vice* . . . and to give the Name of *virtue* to every Performance, by which Man, contrary to the impulse of Nature, should endeavour the Benefit of others or the Conquest of his own Passions out of a Rational Ambition of being good” (emphasis in the original).

Toward the end of the *Enquiry*, Mandeville writes:

“If the too scrupulous Reader should at first View condemn these Notions concerning the Origin of Moral Virtue, and think them perhaps offensive to Christianity, I hope he’ll forbear his Censures. . . .”

Mandeville expands his argument with a broadside against religion as such, in “An Essay on Charity and Charity-Schools”:

“As to Religion, the most knowing and polite Part of a Nation have every where the least of it; Craft has a greater Hand in Making Rogues than Stupidity and Vice in general is no where more predominant than where Arts and Sciences flourish . . . and it is certain that we shall find Innocence and Honesty no where more general than among the most illiterate, the poor silly Country People.”

And then he attacks the central concept of the New Testament, charity:

“Charity-Schools and every thing else that promotes Idleness, and keeps the Poor from Working, are more Accessary to the Growth of Villany, than the want of Reading and Writing, or even the grossest Ignorance and Stupidity.”

This is the intellectual father of the pseudo-Catholic Michael Novak.

### The satanic British political economy

It is in that same “Essay on Charity” that Mandeville is said to have anticipated the “classical” notions of the theory of value, the division of labor, and to have contributed to monetary theory. First, there is his defense of poverty—at least for others:

“In a Free Nation where Slaves are not allowed of, the surest wealth consists in a multitude of Laborious Poor . . . without them there could be no enjoyment, and no Product of any Country could be valuable. To make the Society Happy

and People Easy under the meanest Circumstances, it is requisite that great numbers of them should be Ignorant as well as Poor. Knowledge both enlarges and multiplies our Desires, and the fewer things a Man Wishes for, the more easily his Necessities may be supply'd."

But, Mandeville assures us, the poor like being poor:

"Abundance of hard and dirty Labour is to be done, and course Living is to be complied with: Where shall we find a better Nursery for these Necessities than the Children of the Poor? none certainly are nearer to it or fitter for it. . . . There is not a more contented People among us, than those who work the hardest and are the least acquainted with the Pomp and Delicacies of the World."

Mandeville attacks the development of the productive capacities of the labor force, which is the very essence of Christian economics:

"Reading, Writing and Arithmetick are very necessary to those, whose Business require such Qualifications. But where People's Livelihood has no dependance on these arts, they are very pernicious to the Poor, who are forc'd to get their Daily Bread by their Daily Labour. . . . I have sufficiently shew'd already, why going to School was Idleness if compared to Working, and exploded this sort of Education in the Children of the Poor, because it Incapacitates them ever after for down right Labour, which is their proper Province."

In the face of this vileness, Karl Marx assures us that Mandeville is "an honest man and a clear thinker." Adam Smith thought the same. There is abundant evidence that Smith's entire output is owed to Mandeville. Smith's own *Theory of Moral Sentiments* is a careful revision of what he called the "lively and humorous, tho' coarse and rustic, eloquence of Dr. Mandeville."

Explaining his affinity to Mandeville, Smith wrote regarding "certain doctrines," such as Christianity:

"It was easy for Dr. Mandeville to prove, first, that this entire conquest never took place among men; and, secondly, that, if it was to take place, universally, it would be pernicious to society, by putting an end to all industry and commerce, and in a manner to the whole business of human life. By the first of these propositions he seemed to prove that there was no real virtue, and that what pretended to be such was a mere cheat and imposition upon mankind; and by the second, that private vices were public benefits, since without them no society could prosper or flourish."

The ethical system Smith elaborated in his *Theory of Moral Sentiments* merely changes the terminology employed by Mandeville in his *Fable of the Bees*. Where Mandeville says "selfishness," Smith says "sympathy," and he asserts:

"Every man . . . is much more deeply interested in whatever immediately concerns any other man; and to hear, perhaps, of the death of another person, with whom we have no particular connexion, will give us less concern . . . than a very insignificant disaster which has befallen ourselves."

This despicable "ethical system" is what is today known as the "classical exposition" of the universal concurrence con-

tained in Smith's *The Wealth of Nations*.

To prove that Michael Novak is, as was Adam Smith, nothing more than a Mandevillian fascist retread, all that is needed is to quote him. In a lecture he gave in Krakow, Poland in July 1994, Novak said:

"If you want to make a Republic that will last, you must construct it for sinners, because sinners are not just a moral majority, they are virtually a moral unanimity."

In his 1990 book, *This Hemisphere of Liberty: A Philosophy of the Americas*, Novak wrote:

"Building an economy for saints anywhere on earth is useless. There are too few of them. The only realistic possibility is to build an economy for sinners—the only moral majority."

In Novak's 1982 book, *The Spirit of Democratic Capitalism*, he wrote:

"No intelligent human order . . . can be run according to the counsels of Christianity. . . . An economy based upon the consciences of some would offend the consciences of others. A free economy cannot . . . be a Christian economy. To try to run an economy by the highest Christian principles is certain to destroy both the economy and the reputation of Christianity."

Having become acquainted with the satanic theories of Dr. Mandeville, the only thing that remains to be said about Michael Novak is that the acorn doesn't fall far from the oak.

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