

NATURE AND PARTICULARITIES OF ECONOMIC OPINION CLASHES IN THE PERIOD OF ENLIGHTENED (LATE) CAMERALISM IN THE CZECH LANDS

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Abstract

Nature of opinion clashes with economic topics was a reflection of particularities of economic thinking in the period of late (enlightened) cameralism in the Czech lands. At the same time, they reflected the conflict nature of political sciences implementation among the subjects of study at universities. The attention is focused on the University of Prague and the University of Olomouc with their personalities such as Joseph Ignatz Butschek (1741 - 1821), the Professor of political sciences at the University of Prague, Leopold Ludvík Schulz (1743 - 1814), the Professor of political sciences at the University of Olomouc, Carl Heinrich Seibt (1735 - 1806), the Professor of esthetics and pedagogy at the University of Prague and Franz Karl Zauschner, the nobility clerk and other personalities of the second half of the 18th century. The opinion clashes with economic topics became distinctive nature. The opinion clashes among the cameralists themselves were characterized by the specific nature. It is possible to notice another and also specific nature of opinion clashes between cameralists and representatives of the Catholic Church and other one between cameralists and other Austrian representative of the Enlightenment.

Key words: late (enlightened) cameralism in the Czech lands, economic thought in the Czech lands, political sciences

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Introduction

This paper deals with fundamental schools of criticising political science as a discipline introduced as a university study subject in the last third of the 18th century (Krameš 2012, Krameš 2010, Krameš 2002). Schools of criticism differed depending on the interests of particular social groups represented or advocated by particular critics (Krameš 2001). Firstly, a general characteristic of the field structure and the nature of the doctrine subject to criticism

will be presented. Church representatives adopted a specific approach to political science, whereas the philosophers of the Enlightenment, so called Schöngelster or aesthetes, took another stance. Yet another angle of criticism was recorded by a noble official who had an experience with the economic management of manor farm estates, or of a public servant active in the political administration who monitored Czech lands' cash flows as a part of his office.

The output is based mainly on period literature and sources, available in Bohemian and Moravian archives. It is a result of a long-term inquiry into the issue.

1 The structure and content of government sciences

In Czech lands, the roots of modern economic science date back to the reign of the empress Maria Theresa (1740 – 1780). During this period, a new science called police and cameral sciences (Polizei- und Kameralwissenschaften) was introduced alongside other disciplines of university studies. The discipline was introduced at the Faculty of Arts of the Charles University in Prague (from 1764 to 1768) and of Palacký University Olomouc (1772). In 1784, the field started to be taught at the faculties of law of both universities. Late cameralism found its ideological authority to prop up its teachings in Johann Gottlob von Justi (1717 – 1771) who was called upon by the empress Maria Theresa to teach police and cameral sciences at the Theresian Academy. For this purpose, he wrote and released *Staatswirtschaft oder systematische Abhandlung aller oeconomischen und Cameralwissenschaften*, published in two volumes in 1755 and 1758, respectively. After four years, Justi left Austria and was replaced by Joseph von Sonnenfels (1732 – 1817) who taught at the University of Vienna. Under his leadership, the discipline was renamed as political science. Sonnenfels' treatise *Grundsätze der Polizei-, Handlungs- und Finanzwissenschaft* was published about eight times and became a mandatory textbook of political science in Austria in the last third of the 18th century and first decades of the 19th century. His pupils included Joseph Ignatz Butschek, Rytter von Heraltitz (1741 – 1821) who worked in Prague, or Leopold Ludwig Schulz von Straßnitzki (1743 – 1814) who taught at the Palacký University Olomouc. Carl Geist (1732 – ?), an administrator, taught police and cameral sciences at the Agricultural Society (Agrikultur Gesellschaft) in Opava from 1772.

The purpose of introducing these studies was to expertly prepare government officials for their profession. In the era of cameralism, the economic process was considered identical to the process of administration. In the era of absolutism, public administration, which also included economic administration, was identical to internal policies. Its aim was supposed to

fulfil an end goal (Wndzweck), and was grounded in the teachings of Joseph von Sonnenfels and his students. Specifically, the contemporary text by L. L. Schulz (Schulz 1777), a professor of police and cameral sciences (Polizei- und Cameralwissenschaften) at the Palacký University Olomouc, laid the groundwork. Police and cameral sciences consisted of police sciences (Polizeiwissenschaft), business sciences (Handlungswissenschaft), and financial sciences (Finanzwissenschaft).

The purpose of the state was understood to be social welfare (die gemeinschaftliche Wohlfahrt) which consisted of security (Sicherheit) and “*the ease of shaping one’s existence (livelihood) by one’s own diligence.*” (Leichtigkeit, sich durch seinen fleiß Unterhalt zu verschaffen) quoted from (Schulz 1777, 4th principle) Cameralists called this *Bequemlichkeit des Lebens* (the comfort of life). Security was divided into an internal (innere Sicherheit) and external security. Furthermore, internal security formed the content of the so-called police sciences (Polizeiwissenschaft) which then consisted of two basic parts. The first internal “public security” (öffentliche Sicherheit) concerned itself with protecting the state from citizens. So-called private security (Privatsicherheit) dealt with protecting the individual from the misdemeanours of state power and from various threats to human life, property, and honour; it concerned itself with the relationship between the state and the individual. A “natural order” imbued the society with a reasonable way of managing the state. This was represented by a ruler and implemented by an administration which was prepared for its job by, among other things, a new field of university studies – police and cameral sciences, later renamed as political science.

In cameralism, the focus of the economic system was on the needs of the state. Despite this, police sciences also focused on state guarantees of certain economic freedoms. Harmony of individual and social interests was, however, presented as a necessary subordination of the interests of the individual to those of the state. The arrival of the teachings of Adam Smith (1722 – 1790) at the beginning of the 19th century brought along the view that asserting one’s own personal interest was not only ethically justifiable, but even constructive principle as it allowed to promote welfare by means of the invisible hand of the market. The road led from physiocratic teachings and the classical economy to neoclassical economy and the subsequent creation of the economic conception of humans – homo oeconomicus. Enlightened cameralism was the beginning of this journey. It was a beginning of a journey of economic thought which gradually adopted the path of (the theory) of individual decision-making.

Bequemlichkeit des Lebens was a subject matter of business sciences (Handlungswissenschaft). Business sciences consisted of the so-called “commercial business

sciences (kaufmännische Handlungswissenschaft), focused on the business interests of the individual, and political business sciences (politische Handlungswissenschaft), oriented toward the state's regimentation of economy in order to support the growth of employment for as many of the country's inhabitants as possible. However, cameralist teachings subordinated the economic interests of individuals to the state administration.

The idea that various economic interests of individuals clash on markets where they're transformed into the fulfilment of society-wide needs was related to the reception of Adam Smith's teachings a couple of decades later. In the cameralist dogma, the market wasn't a constitutive element which allowed to prevent the state from intervening in the mechanisms of the economy's operation. On the other hand, state administration was a part of the "natural order" which the state brought to the contradictory interests of individuals by virtue of management. Officials took part in implementing this "natural order" which further underscored the significance of their professional training.

Business sciences focused on the means with which to support the growth of employment. In the agricultural sector, the teachings supported the parcelling of agricultural units, manufactory production and exports of finished goods, the development of the internal market by unifying weights and measures, removal of regional customs and tolls, etc.

Financial sciences (Finanzwissenschaft) focused on ways of increasing the state and ruler's income as much as possible, and on the manner in which it should be managed. It grew out of the experiences of the financial administration of the ruler's domains which were managed by an office called Camera (meaning "chamber"). Hence the name "cameral sciences" and "cameralism".

1.1 Population principle

"Die Vermehrung der Bevölkerung" – a term from the cameralist literature ("slavishly" translated as "the proliferation of population"), referred to as the "population principle" in the current professional literature – was the organizing aim of internal policies (administration) and political science. Business science supported this principle and gave purpose to business sciences, i.e. by means of supporting the growth of employment. For administrative officials, this principle and the rules of fulfilling it served as a means of basic orientation during the process of their decision-making. The field's logical structure became a target of criticism, formulated depending on the interest of the group represented by a particular critic.

2. Political science and the Catholic church; the first wave of criticism

Representatives of the Catholic church at universities posed a threat to the very existence of the new university subject. Political science was a result of the emancipation process in the realm of science. The teachings of Niccolò di Bernardo dei Machiavelli (1469 – 1527) and other thinkers (Hobbes, Locke, Voltaire, etc.) had already managed to depose religion from its position as a government's goal, and politics became an end in and of itself. Religion sunk even deeper and became a tool for strengthening the state's political power. Political science represented this trend most of all. The "population principle" was the ultimate goal of politics and political science. The fundamental schools of criticising political science headed in this direction: the population principle, or religious principles, put forward for centuries as the goal of politics. Another offensive was taken against the demotion of religion to a tool for achieving political goals. J. I. Butschek (Charles University) and L. L. Schultz (Palacký University Olomouc), a teacher of political science, were persecuted, and even prevented from teaching at universities. The so-called theses which served as a basis for public disputations, and thus also for terminating the studies of political science students, were cut down. The director of Palacký University Olomouc even called political science heretical. M. T. Slawiczek, the rector of Palacký University Olomouc, and the director-baron F. J. Schubirz became quite notorious for doing this. Both J. I. Butschek and L. L. Schulz appealed to J. Sonnenfels, their teacher and a member of the Privy Council in Vienna. Finally, an intervention from Vienna managed to remedy the complicated relationship. The situation improved when political science started being taught at the Faculty of Law.

3. The population principle, or the education principle?

Another level of criticism occurred among Austrian philosophers of the Enlightenment. It was represented by the master of another group of enlightened philosophers, called Schöngelster or aesthetes: Karl Heinrich Seibt (1735 – 1806), a university professor. He outlined his views in *Vom dem Einflüsse der Erziehung auf die Glückseligkeit des Staats* (1771). A response came in the form of an anonymous work from the camp of enlightened cameralists, attributed to Butschek and titled *Untersuchung, o die Erziehung für die Grundgesaz aller Staate angenommen hatte ...* (1771). Both groups of enlightened philosophers had the same general theoretical view. Just like Butschek (Sonnenfels and other enlightened cameralists), K. H. Seibt saw the state's purpose in providing security (Sicherheit) and "the comfort of life" (Bequemlichkeit des Lebens). They differed in how they answered the question "What is the

basic principle of states?” Cameralists thought it lay in fulfilling the “population principle”, while aesthetes (K. H. Seibt) saw it in education. More precisely, the disagreement centred around the significance of the respective disciplines. According to K. H. Seibt, pedagogy was the most important field, while cameralists considered the most important field to be political science.

4. Is the partition of large agricultural units truly a suitable means of fulfilling the population principle?

Against the degradation of agriculture in national economy. Austrians picked up the threads of and ideologically relied on French anti-colbertists (François Véron Duverger de Forbonnais, Jean François Melon, Nicolas Dutot) and partially on French physiocrats. Jean-Baptiste Colbert (1619 – 1683), the finance minister of Louis XIV. (1643 – 1715), among other things adopted measures to reduce the costs of paying wages to manufactory workers, with the intent of supporting the manufactory production in France. The cost of food (or rather corn) formed a substantial part of labour costs. Colbert banned the export of corn from France, and at the same time completely opened the French market to the import of corn. As a result, the price of corn, or more precisely food plunged. This allowed wages to be lowered and the profitability of manufactory production to grow. On the other hand, French agriculture was ruined. Anti-colbertist critics of this policy underlined the importance of agriculture and rehabilitated its position in national economy.

Joseph Ignaz Butschek (1741 – 1821), a professor of political science at the Charles University in Prague, is thought to have authored *Versuch über die Absichten der Landesregierung bei Leitung der Landwirtschaft* (1768). It's a dissertation thesis of his student, Ignatz Swietetzky von Czerntzitz. At the time, dissertation theses were written by professors, and the candidate had to prove that he was able to defend his professor's teachings in a public disputation. Franz Zauschner therefore argued not against I. Swieteczky, but against professor Butschek. In his work, J. I. Butschek proposed large agricultural units and smaller farming lands to be divided into small farming homesteads, sized from 3 to 5 morgens. This measure was supposed to cause the number of inhabitants engaged in agriculture, the tax capabilities of inhabitants engaged in agriculture, and the performance of agriculture to rise. Farms sized 60 morgens which supported 6 people on average were to be replaced by homesteads managed by farmers and their families, i.e. 4 people on average. According to Butschek, population growth would have brought about an increased tax revenue of 240 gold coins (48 tax payers); farms of

60 morgens with 6 people paid only 30 gold coins. At the same time, agriculture in Czech lands would have been able to sustain up to 5 million people instead of the 1 million it supported then. In *Praktische Untersuchung, ob es vorteilhaft wäre, wenn mann zerteihlen möchte*, published in 1770, Franz Zauschner – “a local noble official” according to J. I. Butschek – claimed that a farmer would have been hard-pressed to produce enough corn to cover the needs of his own family with 3 morgens of land, leaving nothing to fulfil the needs of the market. The farmers weren’t even a suitable target for taxation, were unable to create reserves as a precaution against bad harvests, and their yield strongly depended on their location. F. Zauschner claimed that the consequences of such measures would be contrary to those promised by J. I. Butschek. In *Prager Gelehrte Nachrichten* J. I. Butschek issued a haughty response to Zauschner, taking advantage of his position as a man of a significantly higher social status.

5. Did the problems of Czech lands lie in evasions of the expenditure stream?

What lay behind the economic problems of Bohemia and Moravia? Why were interest rates in Czech lands relatively high and why was usury so widespread? In the view of cameralists (and mercantilists in general), this state of things was representative of “a lack of circulating money” despite various economic measures (e.g. support of manufactory production, unification of the internal market by unifying weights and measures, removing internal customs and tolls, etc.). According to cameralists, these measures were successful and had an effective impact on the economy. The purpose of the measures was to increase the population’s ability to pay taxes. The stated goal was gradually being reached. Despite the beneficial effects of these economic policy measures, there was “a lack of money in circulation” in Czech lands, which manifested itself in high interest rates and even wide-spread usury. There was a high demand for capital and a low supply of it. How was this possible with the successful measures? The country was in a problematic economic and social condition, described in many contemporary articles. For example, according to prince Karl Egon Fürstenberg (1729 – 1787), Prague’s supreme burgrave from 1771 to 1782, Czech lands had a positive trade balance but there still was “a lack of money in circulation”. Quoted from (Prokeš, 1925). The reasons for this were several. For one thing, the state’s high tax demands, plus the fact that the state’s tax revenues weren’t being invested in the kingdom but outside of it, significantly lowered the purchasing power of the kingdom’s population. Aristocracy also contributed to the decreasing purchasing power by spending a large part of its income outside the Czech Kingdom. This was an evasion of the expenditure stream because the state’s income, gained from taxes levied in Czech lands, wasn’t being turned

into expenditures in Czech lands. According to prince Fürstenberg, large sums of money were flowing out of Czech lands as a consequence of the state's tax burden and the aristocracy's consumption. Therefore, this substantially lowered the population's purchasing power because the state's income wasn't returning to Czech lands in the form of state expenditures.

Conclusion

Cameralist teachings in the form of political science were strongly practically-oriented. It was an economic policy concept, and an internal policy concept in more general terms. These policies markedly affected the interests of particular social groups in the population. Criticism of cameralist teachings, voiced by the representatives of interest groups, distinctly targeted its character and specifics. Church representatives at universities harshly criticized the "population principle" which replaced religious goals and reconceived of religion as a tool of political power. K. H. Seibt, a representative of the Enlightenment and the master of aesthetes, spoke out against the population principle and intended to replace it with education. Karl Zauschner, a noble official, criticized the drawbacks of partitioning agricultural lands and challenged the notion of the partitioning being a means of accomplishing an increased output of agricultural production and a growing number of inhabitants engaged in agriculture. Prince Fürstenberg, Prague's supreme burgrave, pointed out measures which on one hand led to a greater economic prosperity, but on the other hand to the "stifling" of economy by evasions of the expenditure stream, caused by taxation levied on the population as well as by related social problems and expenditures of the aristocracy whose income came from Czech lands but was spent outside of them.

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