

# The Beginnings of Political Economy

# European Heritage in Economics and the Social Sciences

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Jürgen Georg Backhaus  
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# The Beginnings of Political Economy

Johann Heinrich Gottlob von Justi

 Springer

*Editor*

Jürgen Georg Backhaus  
University of Erfurt  
Krupp Chair in Public Finance and Fiscal  
Sociology  
Nordhäuser Str. 63  
99105 Erfurt  
Germany  
juergen.backhaus@uni-erfurt.de

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**Die Grundfeste**  
zu der  
**Macht und Glückseligkeit der Staaten;**  
oder  
ausführliche Vorstellung  
der gesamten  
**Policey = Wissenschaft.**  
E r s t e r B a n d,  
welcher  
die vollkommene Cultur des Bodens, die  
Bevölkerung, den Anbau, Wachstum und  
Zierde der Städte;  
desgleichen  
die Manufacturen, Fabriken und Commerciën,  
und den Zusammenhang des ganzen Nahrungsstandes abhandelt;  
herausgegeben  
v o n  
**Johann Heinrich Gottlob von Justi.**

---

Königsberg und Leipzig 1760.  
in Verlag seeligen Johann Heinrich Hartungs Erben.

In his *Grundfeste* (Basic Pillars), Justi proposed the furthering of happiness of the population as the major aim of state policy, and by implication state power. This is already indicated by the title: "Basic Pillars of Power and Happiness of the States or Encompassing Representation of the Entire Police Science. First Volume, which Presents an Encompassing Treatment of Perfect Culture of the Land, of Population, of Agriculture, Growth and Pride of the Cities, as well as of Manufactures, Factories, and Commerce and the Coherence of the Entire Circuite Responsible of Nourishment."

**Johann Heinrich Gottlob von Justi**  
ehemaligen Königl. Großbritannischen und Churfürstl. Braunschweig-  
Lüneburgischen Berg- Maths, und Ober- Policey- Commissarii,  
wie auch Mitgliedes der Königl. Societät der Wissenschaften  
in Göttingen

**G r u n d s ä t z e**  
der  
**Policeywissenschaft**

in  
einem vernünftigen, auf den Endzweck der Policey  
gegründeten, Zusammenhange  
und  
zum Gebrauch  
Academischer Vorlesungen  
abgefasst.

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**Dritte Ausgabe**  
mit  
Verbesserungen und Anmerkungen  
von  
**Johann Beckmann,**  
ordentlichem Professor der Oekonomie in Göttingen.

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**Göttingen,**  
im Verlag der Wittwe Vandenhoeck  
**1 7 8 2.**

One of Justi's most important publications "Grundsätze der Policeywissenschaft," (Principles of the science of policy and public administration). Justi stated the principles of "Policeywissenschaft" in 1756 first and wrote many textbooks thereafter.

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# Contributors

**Ulrich Adam** Gonville and Caius College, Cambridge, CB2 1TA, UK,  
ua201@cam.ac.uk

**Jürgen G. Backhaus** University of Erfurt, Krupp Chair in Public Finance  
and Fiscal Sociology, Nordhäuser Str. 63, 99105 Erfurt, Germany,  
juergen.backhaus@uni-erfurt.de

**Ursula Backhaus** Institute for the State and the Social Sciences, Talheim,  
Germany, ursula\_backhaus@yahoo.de

**Günther, Chaloupek** Chamber of Labour, Prinz-Eugen-Straße 20-22, A-1041  
Wien, Austria, Guenther.CHALOUPEK@akwien.at

**Hans Frambach** University of Wuppertal, Department of Economics, M.-13.16,  
Gaußstr. 20, 42097 Wuppertal, Germany, frambach@wiwi.uni-wuppertal.de

**Shigenari Kanamori** 3-34-1, Sanno, Ota-ku, Tokyo143, Japan

**Marcel Van Meerhaeghe** Kriekenbergdreef 21, B-9831 Deurle, Belgium,  
van.meerhaeghe@belgacom.be

**Helge Peukert** University of Erfurt, Faculty of Economics, Law and  
Social Science, Nordhäuser Str. 63, 99105 Erfurt, Germany,  
helge.peukert@uni-erfurt.de

**Erik S. Reinert** Tallinn University of Technology, Estonia and The Other  
Canon Foundation, Langestrandveien 59, N-3148 Hvasser, Norway,  
eriksreinert@gmail.com

**Hugo Reinert** Cambridge University, Cambridge, UK, hreinert@gmail.com

**Karl-Heinz Schmidt** Department of Economics, University Paderborn,  
Warburger Str. 100, D-33098 Paderborn, Germany,  
Karl\_Schmidt@notes.uni-paderborn.de

# Introduction

Jürgen G. Backhaus

Johann Heinrich Gottlob (von)<sup>1</sup> Justi was born in 1702 in Brücken in Prussia (county of Sangerhausen), studied law and cameral sciences in Wittenberg and Jena, yet had to leave the university, entered the Prussian military service, was captured during the Austrian war of succession by the Austrians but escaped to Leipzig (Saxony) where he studied mineral sciences. In 1750 he was called to a chair “Cameral Sciences and Rhetorics” at the new Theresian Academy of Knights in Vienna. There, he gave two important inaugural lectures which are the focal point of this book. In 1754, Justi was appointed a mineral counsellor in Göttingen (Hanover), and lectured at the Saxonian University on both state sciences and natural sciences. In 1762, Frederic II (the Great) of Prussia appointed him Prussian captain (highest supervisory position) of mines and general supervisor of fiscal-mineral activities. In 1768 he was accused of embezzlement, and before he could prove his innocence, he died in 1771 as a prisoner in the (decaying) fortress of Küstrin. Due to his death, the case was never decided. But Frederic had obviously made his own decision. When he appointed Justi, the appointee pointed out that he was suffering from weak eye sight and could not readily check the bookkeeping. Frederic replied: You may have weak eyes but you have a bright mind. I shall put two eyes by your side. It seems that this aide was actually guilty of the embezzlement. Justi in his later days dictated everything he wrote to his daughters. After his death, Frederic took care of them personally.

Justi, throughout his life, had this dual career of being on the one hand a prolific writer and educator, on the other hand an administrator in the core state business of mining, then an important revenue source. He typically combined the two. This is why he gave two inaugural lectures in 1750<sup>2</sup> in front of Queen and Empress Maria Theresia, who had appointed him not only a professor at the newly established Academy, but also a counsellor of mines. The lecture on cameral sciences is truly the beginning of modern

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<sup>1</sup> His nobility is in dispute.

<sup>2</sup> He was appointed in 1750, but the lectures may actually have been delivered in 1751, we cannot be sure.

economics. This is not cameral sciences as essentially the art of government as it had been taught before. Rather, he distills from Wolff's principles<sup>3</sup> by the way due to the habit of his time without the slightest acknowledgement, an economic science with the state as the central but by no means only actor. Next to this political economy, he develops what is today called public administration, and he calls it *Policeywissenschaft* (the science of policing). Yet it is typical for this approach to political economy that the science is put on three feet, the market with the state acting within it, the state itself, and technology as it is available to both market participants and the state. Therefore, you always find long elaborations on all matters technological. In addition, Justi wasted no chance to write on whatever happened to interest him at the time, for instance he was inspired by Montesquieu's *Esprit des lois* and published an adapted version for Germany in Berlin in 1760.

This volume collects eleven essays on Justi in addition to this introduction. Juergen Backhaus takes a look at where Justi actually got his ideas from. Erik and Hugo Reinert continue with a bibliography and a biography of Justi. Ulrich Adam looks at Justi and the post-Montesquieu French debate on commercial stability. Marcel van Meerhaeghe is interested in the international aspects of Justi's work, Shigenari Kanamori explores Justi and parallels in Japan, Helge Peukert looks at Justi's concept of moral economics and the good society, while Hans Frambach is focused on cameralism and the issue of labour in Justi. Günther Chaloupek reports on Justi's activities in Austria, Karl-Heinz Schmidt describes and analyzes Justi's concept of taxation and finally Ursula Backhaus focuses on the issue of health as a topic in Justi's economics. Justi was of the opinion that the happiness of the state would be increased if the number of happy and healthy persons would increase. For this reason, health was a major focus of his attention long before the advent of health economics.

The essays presented in this book were originally discussed at the 14th annual *Heilbronn Symposium in Economics and the Social Sciences*. The essays have been refereed and accordingly revised. We are grateful to the Lord Mayor of the City of Heilbronn and the City Council for their generous hospitality.

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<sup>3</sup> See Juergen Backhaus (ed.), "Christian Wolff (1679-1754): A Biographical Essay", *European Journal of Law and Economics*, vol. 4, nrs. 2/3, (1997) and *Christian Wolff and Law and Economics*, Hildesheim: Olms Verlag (1998).

# Chapter 1

## From Wolff to Justi

Jürgen G. Backhaus

### Introduction

The most prolific of the cameralist writers, Johann Heinrich Gottlob von Justi (1717–1771), was influenced by Christian Wolff (1679–1754)<sup>1</sup> who taught grammar for modern social sciences in general, and economics in particular. Next to his path-breaking contributions to philosophy and international law, Wolff has pioneered the social sciences and provided the notions with which modern economics is still largely working. While “Glückseligkeit” – happiness of the people – has been the main concern by Wolff, Justi adds an additional criterion, “usefulness” of a measure. Both concepts are important for the development of the sciences of State, which is dealt with in the first part of this study. Characterizations of Justi as a systematic cameralist scholar follow in the second part, and the connections between Wolff and Justi are highlighted in the third part. This chapter ends with a summary and conclusions.

In the *Encyclopaedia of the Social Sciences*, Koppel S. Pinson<sup>2</sup> describes Wolff’s path-breaking contributions in the social sciences as an effort towards state-building:

“Wolff was the most typical philosopher of the German enlightenment. His system of philosophic, social and political thought is marked by a striving for logical clarity and mathematical precision and breathes a spirit of optimism and utilitarian eudaemonism which is based on a fundamental faith in the principles of natural reason, natural law and natural religion. The state was preceded by an era of natural existence. Unlike Hobbes, however, Wolff conceived of this state not as one of war of all against all but as one of full individual freedom regulated by the principles of natural law. The state arose out of a rational contract, and its purpose is to secure for citizens the greatest welfare and security.”

In the economics literature, Gustav von Schmoller<sup>3</sup> is critical of Wolff mainly for his lack of a historical perspective in justifying the state as a rational

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J.G. Backhaus (✉)

Krupp Foundation Chair in Public Finance and Fiscal Sociology, Faculty of the Sciences of the State, University of Erfurt, Erfurt, Germany  
e-mail: juergen.backhaus@uni-erfurt.de

contract, and his penchant for interventionism in economic policy, which according to Schmoller is likely to hinder the proper functioning of markets and might even prevent markets to come into existence; but Schmoller also emphasizes Wolff's importance for the development of political economy in Germany in the form of cameralism about a hundred years before the first chair in political economy was founded in Oxford.<sup>4</sup> In this context, Schmoller relates Wolff to Justi and other cameralist scholars as follows:<sup>5</sup> In Germany, the first cameral chairs were founded at universities, in order to better prepare the future chamber officers (i.e., tax collectors and financial administrators) for their future duties. The German literature of these days therefore emphasizes agriculture, technology, and the crafts next to public finance and the political economy. This literature is characterized by a somewhat basic realism. On the other hand, these German principles teachers were the first to create systematic works on the subject. While the British authors took a very substantial part of their mercantilist reflections from Pufendorf, Johann Joachim Becher already published in 1667 a mercantilist/cameralist textbook, which was to dominate the political practice in Germany for almost three generations. Originally a chemist, later a commercial council and project developer, Becher's *Political Discourse on the True Causes of the Rise and Decline of Cities, Countries and Republics* went from 1667 until 1759 through six editions. In it he developed his doctrine of state regulation of all forms of traffic and transactions, his demand for an active support of trading companies, manufacturers and houses of commerce, and his teachings which demanded protective tariffs against France. The following cameral authors, notably Hörnigk, Schröder, Gasser, Zinken, even including J. G. von Justi, all built on Becher. Justi achieved and completed seamless systems, notably his *Principles of Public Economics* (1755), his *Science of Regulation* (1756), and his *System of Public Finance* (1766 and later). About him see Frensdorff, "On the Life and Works of the Political Economist J. G. von Justi" "Nachrichten der kaiserlichen Gesellschaft der Wissenschaften in Göttingen", 1903. Next to these precepts and with even more energy and fervor, the teachers of public law and philosophy propagate the duty of government to be active in the area of economic policy. Christian Wolff became the teacher of the generation which reigned until 1786. Without reservation, he praises China with its mettlesome government and its mandarins as an exemplary state. Without bounds, he assigns government the duty to care for a general happiness: government has to ensure the proper wage and employment of its entire people, reasonable prices, a sufficient population in general and enough employees in each profession, virtue of manners of children, mothers and housewives, citizens, and civil servants (Schmoller. 1919, 1923(2), *op. cit.*, p. 88.)

Schmoller relates Wolff and Justi by their efforts for developing the sciences of State. Therefore, the first part of this chapter focuses on the role of Wolff and Justi as founders of the sciences of State. The second part provides some characterizations of Justi highlighting his position not only as a mere "consultant-administrator", but as a systematic scholar who only wanted to make "useful" contributions. The third part focuses on the connections between Justi

and Wolff, which are also characterized by tensions resulting from Justi's participation in a prize essay early on in his career, where he criticized Wolff. The chapter ends with a summary and conclusions.

## Part I: Describing the Early Development of the Sciences of State<sup>6</sup>

The sciences of State came about at a time, when Germany was really in a very difficult situation, towards the end of the Thirty Years' War (1618–1648). The pivot was that the war could not be won by anyone of the participating parties, but this had become obvious only after twenty-two years of warring. Around 1640, the Elector of Saxony had already made a peace offer promising large demobilization payments. One of the Swedish colonels, a prince of the House of Saxony, decommissioned. He went home to Saxony, and asked from his brothers, there were altogether seven of them, his share in the Duchy. He received his share, which was the area around Gotha, a very small and insignificant town at that time, and he started to really build from scratch a Duchy which was conceived to be a model state. His name was Ernest I. of Saxony, Gotha, called "the Pious". He proceeded to marry his cousin, who was the heiress of the Duchy of Altenburg. Her father was an avid collector of books, and so was Ernest. Hence, one of the biggest libraries that still exist in Germany was assembled there in a very large castle, which had only protective purposes. It was appropriately called the "Friedenstein" (Rock of Peace) and a very utilitarian residence was built around this castle, which can still be visited today. There was no military value in the whole matter during the *First* and *Second World War*. This Duke, Ernest I. of Saxony, had no resources in the way of mining yields, he had no access to any waterways, he was not even prone to any commercial crossroads, and did not have customs fees of any significance.<sup>7</sup> He conceived of the idea that the only realistic source of revenue was the education of his people. He went about this in terms of educating actually a class of civil servants, and foremost a person whose name was Veit Ludwig von Seckendorff.

To Veit Ludwig von Seckendorff we owe *The German Principality*.<sup>8</sup> The first version of it appeared in 1665. This is a book of about a thousand pages with a very deep index. It goes all the way from Ablass (indulgence) – the sale of indulgencies by the Catholic Church caused Luther's Reformation – to Zuchthaus (penitentiary), from A to Z. The book was going to be essentially the handbook in each chancellery of up to twenty dozen of states that had come about as a consequence of the threefold Treaty of Muenster, Osnabrueck and Muenster in 1648.<sup>9</sup> We have to visualize a continent with a large number of states in its center operating within the newly re-created framework of the Holy Roman Empire, yet intensely competing, one with the other. At the periphery, though, there were larger, contiguous maritime states such as Spain, Portugal,

France, Britain, Sweden, and Turkey, which followed different (with the exception of Turkey) mercantilist policies.

Hence, there were competing states and they had to focus their policies on fostering development.<sup>10</sup> The treaty system essentially was very effective in establishing the peace; there were conflicts, but those could be subdued by the peace treaty system. Saxony, Gotha, and Altenburg, did not even maintain an army; they were able to keep intact due to skilful diplomacy, until the Duchy perished and was joined with Coburg so as to become Saxony-Coburg and Gotha, but this was simply, because the Duke's family had died out.

The next step after having established this book, *The German Principality*, which was supposed to become the handbook for the instruction of the chancellor of any German state, was to translate it into political action, in all fields of policy, from A to Z. Other principalities followed suit. The states were indeed following these precepts, while there was no systematic education. This changed, when Christian Wolff suggested his *Natur- und Völkerrecht*,<sup>11</sup> (The Law of Nations), which today has become extremely important again in the Court at The Hague, because he also discusses the human atrocities at war. In this part, in the context of a *Law of Nations*, there is a whole segment, which is essentially an outline of political economy. Here essentially lie the germs of what later became *Political Economy*, but it took another person to work it out.

In November 1750, Johann Heinrich Gottlob von Justi got his dual appointment at Vienna, the appointment on the one hand as being the professor of rhetoric at the Academy of Knights, that was going to be the institution where knights, typically destitute nobility, were supposed to be trained for the civil service; and he also was the Director of Mines, because their hope always was that there was going to be some kind of mining revenue. He gave upon his dual appointment a lecture.<sup>12</sup> This lecture is about twenty pages long, and it is interesting, because here he took the precepts of Wolff, of course without ever acknowledging where he got it, that was the custom of the time. You only see where he got it when he disagrees with Wolff, but it is very clear. He worked out what Wolff had suggested and came up with a systematic treatment of sciences that he called *Cameralism*. This is because Seckendorff wrote his *German Principality* for the use of the chancellors. This is different from Machiavelli's *Principé*; that was written for the use of the prince. Seckendorff's encyclopaedic book was for the use of the chancellors, and the chancellor, of course, works in the chambers of the prince, that is why this science was called *Cameralism*. It is the science that those people need and rely upon, who are the principal administrators of the prince. Justi distinguished between two parts of what this science was going to be. It was on the one hand *Cameralism proper*, that is essentially everything that the State can do in order to establish markets, and second the idea of what we today would call public administration. He called it *Policeywissenschaft*, police science, this is not the traffic police that we mean today, rather it is regulation.

The State essentially has the particular purpose, first to establish a market, and bring about preconditions of what needs to be done; and second to also

regulate these markets. This can be illustrated by a simple example, for instance health care. The purpose is to have a sufficient number of well-educated and responsible doctors in the principality. They have to be encouraged to come in, which in particular means to break local monopolies. Historically, in health care there was a plethora of local monopolies, and the point was to break down traditional barriers. For instance, doctors may be admitted only if they graduate from particular universities. Hence, a liberal policy of granting practicing licences was required. That is the cameralist part, but then there was also the aspect of regulating the health care sector in order to eliminate quacks, raise the level of health care quality, and reduce fraud. Essentially, in *cameralism* very often the idea is to encourage self-regulation. In Justi's work we find the cameralist part, as well as proposals for self-regulation.<sup>13</sup>

This example served to illustrate the structure of his scientific approach. Justi's books appeared in the middle of the eighteenth century, he had about one book every year, indeed often every half year, because he was also living off these books. For each Leipzig book fair documented so far, he had a book, and not necessarily a new and original one. In his work, there is a lot of recycling of material.

At about the same time, in 1727, two chairs in what we later called political economy, in *cameralism*, were established by Frederick William I, in Frankfurt/Oder and in Halle/Saale. This is important to know, because the first chair in political economy in Britain was established exactly 99 years later in 1826 at Oxford with Nassau Senior as the first appointee. The two approaches, *i.e.* *cameralism* and *political economy*, are remarkably different. The cameralist approach grew out of Wolff's *Law of Nations*. In Britain, the approach to political economy grew out of the question that Adam Smith had put, trying to inquire about the causes and the nature of the wealth of nations. It is not true that Adam Smith does not see the importance for the State in economic development, in particular when property is involved: "Where there is no property, or at least none that exceeds the value of two or three days labour, civil government is not so necessary."<sup>14</sup> The Dutch translation, however, does not originally include book V, where this is discussed, but it is absolutely true that Smith did never say that the State had no function. He was only very critical of particular enterprises that the State was entertaining. For instance, he has a ridiculing discussion of the practice of the City of Hamburg to run pharmacies. He said, these senators should have something better to do and he thought, of course, they should trade. The reason, why they ran pharmacies was, of course, very obvious (at least to them and their citizens). It was not to make money in the first place, but it was because a port city was always very much in danger of having contagious diseases coming into the harbour. For that reason the senators were interested in doing the health management themselves, as a first order of business.

*Cameralism* received its main impetus during and after the *Thirty Years' War*. Cameralist states were characterized by an intense competition among each other and their economic policies needed to emphasize this competitive

position,<sup>15</sup> whereas the mercantilist State can readily be intolerant with respect to religion, the people cannot readily leave. The unification of the *Edict of Nantes*, the Paris “messe”,<sup>16</sup> was followed by its revocation, as the response, the *Edict of Potsdam*<sup>17</sup> illustrates cameralist policy in contrast, also to be followed by the Netherlands, trying to integrate religious minorities who have skills, who are rich, and who actually also bring fortunes, whatever they can carry. The mercantilist States are large, they rely on custom duties, they often rely on the debasement of the currency and they rely on the revenues from Colonial possession, on what Sombart called “Raubhandel”, or forced trade.

## Part II: Impressions of Justi

Justi has been characterized as impertinent, pretentious,<sup>18</sup> and even as “verwegener Rabulist.”<sup>19</sup> “Verwegen” is of course an adventurer who is really going onto a limb; a “Rabulist” is a negative statement about somebody who uses his considerable rhetorical skills to an ill-conceived end. In a letter in the court files, the minister, Freiherr von Hagen, is by no means impressed. He describes him as a man “who routinely claims merits for himself which he has never earned”.<sup>20</sup> This is quite clearly an impostor and a driven impostor, a compulsive liar, not what you would like to be remembered for.

The Chancellor, Galster, characterized him as restless and quarrelsome, and at the same time as active and adroit.<sup>21</sup> So, he was clearly two-sided. In the end, after his death, upon the report of the minister, he is cleared from any criminal wrongdoing. It is only that the State wanted to be recompensated for the expenses that were made to no avail. The minister has been informed that from a fiscal point of view – “profisco” – there is nothing to be had from Justi. (Frensdorff, *op. cit.*, p. 103). The King then decides to take care of his six children which he certainly would not have been done if the King had had a totally negative opinion of him. He gives the six children an education. That is probably as far as he could go.

The question is what made Justi tick; somebody who is at the same time impertinent, but very active and skilful, and a compulsive impostor. If we go by his own writings what he always and consistently uses as the test is that something must be systematic and useful, “Nützlichkeit.” He always insists on that and he somehow is able, as will be shown in the third part, to distil this in a deductive way from this notion of “Glückseligkeit” which he gets from Wolff; but the ultimate test is the “Nützlichkeit” and after all, in Göttingen, he loses his position as the chief administrator of the city, and this is administration of the schools, above all in the area of what today would be called public affairs and sanitation, and he is also a practical public administrator with very extensive notions of what needs to be done in terms of public administration. The whole menu of a modern city is in his portfolio. He is not relieved of his position there because Freiherr von Münchhausen is not satisfied with his ways, by no means.

He gets very good reports and there is even a confidential offer from Hamburg. In Göttingen, the problem is that the French have entered the city. He has to flee. That was beyond his skills of public administration, but the marks he gets are enviably good at the time.

Schumpeter calls the *cameralists* the “consultant administrators”.<sup>22</sup> From that point of view there is clearly a similar perception of how they stand with respect to the development of economic analysis, but that is not where Justi’s added value lies. Justi is not an economic analyst by any stretch of imagination. On the one hand, we do not find new tools of economic analysis; on the other hand he is not a consultant who takes an idea somewhere and brings it to an interested party that he may have identified. He is quite differently somebody who takes an idea and an issue and runs with it. By considering things from every angle, Justi’s tries to arrive at a thorough argumentation. His basic concern is “Ausrottung der Vorurteile,” eradication of prejudice.

The consultation, after all since it takes typically the form of a publication, is for the general public or a specifically identified readership very much as Wolff would write an introduction into Philosophy for women, because they could not be at the university at his time. Justi would himself identify a particular public and write for those readers, having a publisher who actually wanted to sell books (instead of contracts in exchange for printing subsidies). What is interesting is how he gets to the wisdom he puts on paper. Inama von Sternegg<sup>23</sup> emphasizes his elephantine photographic memory.

Consultation is his *forte*. He takes an issue and then works it out very systematically. For instance, if the notion is to spare the lives and the health of the soldiers, a problem he is very concerned with, then it will be dealt with in almost any conceivable way. It starts with the notion that there should be international conventions that would forbid winter campaigns, because after all in winter the campaign is much more arduous than in summer.<sup>24</sup> It will give you hardly any military advantage to campaign in winter rather than in summer, and the likelihood that soldiers will be seriously injured or may return home sick and invalid is much larger than it would be in summer. Justi poses the question: can we ban winter campaigns in terms of an international treaty? He then poses the more general question: how can we protect the health and the lives of the soldiers?

He argues against maintaining a standing army as too expensive. Rather, he suggests an extensive draft of eight years, to be followed by a reserve term of another eight years. If the draftee gets impaired in his health, he should get a pension. Because the pension, of course, would mean an expense on the state, the likelihood of putting the soldier, who is after all an inhabitant of the country, in harms way, is higher in the winter campaign and that is why you should not have them. This example shows how Justi in his argumentation comes full circle. He goes further: when in summer should the military action take place? It should only be done after the harvest, so essentially in fall. That would reduce drastically the time when the country would be at war at all.

Whenever Justi takes up a particular issue, he distils it to almost every conceivable extent. It is this systematic approach in which he excels; a performance in itself. In the area of public finance, he is the first to develop an approach, which looks systematically at both sides of the budget, the revenue side and the expenditure side. From the point of view of a particular issue, be it health, or schools, or military campaigns, or mining, or forestry, also very important in his case, they are all dealt with. Herein lies the great advantage of his contribution. Neither is it mere consultancy, nor is it analytical scholarship in the sense of adding tools of insight. He selects a particular subject matter and presents it in a systematic and thereby readily understandable and also instructible, teachable way. Here he is beyond a consultant. He is a born professor. It is just sad that in his lifetime he was always driven towards a large variety of projects. Ultimately, he squandered the State's money, and the State wanted it back. It would be great if today, for instance in such places as Berlin, people would be personally held liable for money they squander in the name of the State. Despite the diversity, there was a theoretical direction in Justi's systematic thinking, to which we now turn.

### Part III: The Connections Between Wolff and Justi

What was the connection between Wolff and Justi? The following quote will pretty much give the way to answer this question, although I will argue a little differently from Frensdorff:

In any event, his science of State rests on Wolff's philosophy. Not only is the purpose of the State seen as the common weal of the State, but the implications are the same, as well as many details.<sup>25</sup>

The connection between Wolff and Justi is obvious in Justi's *Inaugural Lecture* of 1750 held in Vienna (*op. cit.*), but it is not visible if you look at Justi's works, because whenever the name of Wolff appears, he will disagree. The form of the disagreement is not always polite, but given the circumstances we may perhaps understand this.

The very first publication in 1747 that is relevant here, and later published in his monthly journal *Die Ergötzungen* (Delectations)", not the "Dichterinsel",<sup>26</sup> or the *Glückseligkeit*,<sup>27</sup> tries to use Wolff's concept of the *Glückseligkeit*, a very complicated concept. It is clearly an effort to use Wolff's concept of the *Glückseligkeit* as a Staatsziel, as the purpose of state activity. Justi makes it possible to formulate, deduced from this concept, implementable policy action. The first effort of 1747 is clumsy. The connection to Wolff, however, becomes almost intimate in 1748. This is the year when the newly reinstated Academy in Berlin has a new class in Metaphysics. They are given the right to formulate a prize essay question. We do not know exactly which form the prize took, but we do, however, know that there was a prize, because there is an acceptance letter. The prize essay question was to the effect that the *Doctrine of the Monads*<sup>28</sup> was

to be explained and if necessary refuted. The background apparently is a disagreement between the mathematician Euler on the one hand, and Wolff on the other. Wolff did not want that question being posed, but Euler pushed it through. The result that Justi got the prize with this essay was disapproved of by Wolff. He even questioned Justi's academic ability and integrity.

Justi took up a question that Wolff had already reconsidered. He based his essay, which won the prize, on earlier works of Wolff and not the later works of Wolff, and Wolff's problem with the essay was that Justi was in fact not au courant, that he had used an earlier text. Wolff also was quite willing to update his texts. Justi at the time was employed by the widow of the Duke of Saxony-Eisenach as her private secretary in his capacity as an attorney. When the question was posed who actually submitted the prize essay, he was a totally unknown attorney from Sangershausen, which is in Thuringia where the widow had her residence. It was the practice that if a new prince succeeded his father, or uncle, or whatever may have been the circumstance, the widow of the former prince would not reside in the very residence, because she might exert undue influence in policy affairs, this was clearly the case in this Eisenach affair. So, she had a private secretary, and he had obviously the means of the widow of the Duke at his disposal, but it appears that the library did not have all the works of Wolff. That was the reason for the dispute, that he had not seen Wolff's further developments of the *Doctrine of the Monads*.

Justi's very start into academic life, his winning of the prize, is intimately linked with Wolff and Leibniz, unfortunately in this particular case, by a feud within the Academy. This is not a specificity of Justi's life and work or something that would speak of his character. The question was worded suggesting a refutation of the *Doctrine of the Monads*. In the title, Justi said clearly that he wanted to discuss and refute the doctrine. From that point of view, there was a very close connection to Wolff from the very start. The very start was 1747 in his first attempt in using the Wolffian term of "Glückseligkeit", and then 1748, when this Academy prize induced a clash of ideas, although not necessarily of his own doing.

Justi was characterized by the most tolerant or almost affectionate critic, as "unruhig", he also was characterized as "unerträglich", unbearable. "Unruhig" can, of course, be destructive, but it can also be constructive. There is a motor. "Unruhig" means he is not passive, he is active. He is also described as "geschickt," skilful. That marks the man, but it also marks the prize winning essay. He is moved to write it. Not every secretary of a widow of a duke would think it to be urgent to respond to the essay contest of an Academy that has just recently been reinstated. Justi is a driven man, and the drive may be hard to bear for others, but certainly he is described as active and skilful.

He is skilful in the sense that he uses his skills to answer the essay question. He does indeed wish to show what the *Doctrine of the Monads* means and why it should be discarded. That is the task. Later he would not necessarily wait for others to describe the task. He looks at the tasks to be addressed and resolved them in terms of suggestions and of possible solutions, even actions. In the case

of Göttingen, he is able to translate his views into political action to the satisfaction of his principal, the duke. Later, he would be willing to set the tasks for himself. The question therefore is, where does he get the problems?

Frensdorff (*op. cit.*, p. 109) also makes the point that Justi is not correctly described as a cameralist. He says he is clearly a *Staatswissenschaftler*, a scholar of the science of State. Obviously, he is not interested in the Treasury as such; the bottom line of the Treasury is not his point. He is interested in integrated programs, a “Wicksellian” from the very start, it is always income and outcome, the revenue side and the expenditure side are considered at the same time. Far from focusing on the Treasury, he sees the State as the main agent in the economy, and the others respond to the State. That is totally different from what we have in modern economics. Today, we start from the notion, in microeconomics, for instance, that individuals maximize their utility, whatever that may be. Out of this concert of individual maximizers evolves an outcome, which will lead to an equilibrium.

Justi had no use of the concept of equilibrium in economics. “Die Chimäre des Gleichgewichts, des Equilibriums”, there are several book titles like that, but in politics,<sup>29</sup> and not in economics. He did not believe in equilibria, and it is not surprising why he did not, considering the times in which he lived. He did not even conceive of a Walrasian, or let alone a Paretian, process of getting to some form of betterment as a consequence of not intervening. That was absolutely not his way of thinking. His way of thinking was that if any improvement was to be expected, the actor would have to be the State, in the circumstances in which he found States to be constituted at his time.

From here, it is obvious that he will seek to have at least a modicum of influence on state decision making, but the way he does this is where he is critical of Count Brühl, because the argument he puts forward is that Count Brühl, the prime minister, is shielding the monarch from the intelligent elite of his country, and therefore, the monarch has to choose from a set of topical agenda points, which are not in sync with what would be available in terms of policy choices for the country. Essentially the problem that Justi identifies as the central problem is what we call today agenda controlling handled to the detriment of the Kingdom and Electorate of Prussia and Brandenburg.

Justi is developing a set of scholarly and cohesive insights that are all focused on the notion that a medium-sized state faces substantial challenges not only in terms of territorial integrity, but also in terms of its development, manufacturers, and in terms of mortality and morbidity of the inhabitants of the country. He is interested in formulating a set of coherent ideas which can lead an enlightened ruler of such a country. The ruler could not himself compose, but has inherited the country in its discontinuous configuration, to make policies that will improve upon the lot of the country, in terms of its inhabitants and thereby also further the well-recognized interests of the ruler. The well-recognized interests of the ruler are particularly discussed in his *Staatslehre, Esprit des Lois*, his running commentary on Montesquieu.<sup>30</sup> He was critical of women to be monarchs, unless these were constitutional monarchies, because he thought that they could not participate as