

# Interpretive Essay

## Fichte's Monetary History

### §1. The Place of the *Closed Commercial State* in Fichte's Thought

Measured against the sublime architecture of Kant's three critiques, the vast and all-enveloping grandeur of Hegel's absolute spirit, or Schelling's prodigal succession of systems, Fichte—fated to be ranked fourth among philosophers who count by threes—never seemed to get his act together. Without ever abandoning either the title of the *Doctrine of Science* (*Wissenschaftslehre*), or its vast systematic ambitions, his one system remains, from its first formulation in 1794 to his untimely death from cholera, in a state of ongoing flux and revision. However we may divide his lifework into different phases with different foci and emphases,<sup>1</sup> the boundaries between these remain porous, and indeed all the subsequent revisions of the *Doctrine of Science* refer back to the only version that Fichte himself published as a book, the *Foundation of the Entire Doctrine of Science* of 1794, and consequently cannot be understood apart from what they intend to replace.<sup>2</sup> Moreover, beyond the basic elements of his system—the doctrines of science, morality, and Right—we also find dispersed among these numerous other writings whose existence seems justified only loosely, if at all, by his systematic intention: a short treatise on language; popular works on politics, history, and religion; reflections on the French Revolution; remarks on Machiavelli; pedagogical writings; a theory of the state; and even a philosophical ascetic, not to mention the extensive notes that the new edition of his work have only recently made accessible.

While some of these are doubtless of limited importance, in the case of others, their topical, popular, and rhetorical character conceals a more probing philosophical inquiry, and one that even challenges crucial aspects of the *Doctrine of Science*. This is perhaps evident above all in the 1808

*Addresses to the German Nation*, itself the most topical and exoteric of his writings. By inquiring into the historical conditions of a truly philosophical language—a language capable of allowing a fluid commerce between ideals and praxis—Fichte, without rendering philosophical truth relative, nevertheless subjects the method of expressing philosophical truth, the generation of systems, to two conditions—language and history—neither of which finds immanent expression in the 1794 *Doctrine of Science*.<sup>3</sup>

If we take seriously these adjuncts to the system, we may be led to question, in more broad terms, the systematic nature of Fichte's thought.<sup>4</sup> While we can scarcely deny Fichte's overt allegiance to the ideal of the system, perhaps it is not only within the system itself and through a mode of interpretation centered around the *Doctrine of Science* that we find what is philosophically radical and penetrating in his thinking, but also in the veins that cross through, or even run against the grain of, its systematic core. Fichte had hoped to understand Kant better than Kant understood himself by endowing the spirit of the *Critiques* with a systematic form, allowing a deduction of the categories, and ultimately both the practical and theoretical functions of reason, from a single principle. In the following essay, I will take a different tact, emphasizing the importance of the margins, appendixes, adjuncts, and the exoteric, thus calling attention to aspects of the letter of Fichte's writing that resist reduction to the spirit.<sup>5</sup> In approaching Fichte this way, I do not wish to ignore or undermine the systematic aspect of his thought, but only to gain a greater appreciation for its originality and richness.

Even granting that one is justified in taking such an approach to Fichte—a project that has scarcely been broached by the scholarly literature<sup>6</sup>—the *Closed Commercial State* must seem, at first glance, like a rather unpromising point of departure. Within the labyrinth of Fichte's thought, with all its antechambers, byways, and dead ends, the *Closed Commercial State*, rather than standing off from or being at odds with the system, seems to occupy an unquestionably peripheral and derivative position. Unlike history or language, which condition the manner in which pure reason or spirit becomes manifest, economics, the worldly science par excellence, is concerned chiefly with the purely material conditions of human life, and thus must be, at first glance, farthest removed from the pure spirit that, wrested from the letter of Kant's philosophy, Fichte hoped to present as the foundation of all knowledge. Just as within the systematic divisions of Aristotle's philosophy—divisions that are still operative in Fichte's work—the *Oeconomica* is little more than a handbook of household management, and, in sharp contrast to the *Nicomachean Ethics* or the *Politics*, in no obvious way bears on the possibility of philosophy itself, the subtitle of the *Closed Commercial State* suggests a similarly ancillary position with respect to ethics,

Right, and the *proto philosophia* of the *Doctrine of Science*. It is “a philosophical sketch offered as an appendix to the *Doctrine of Right* and as a test of a politics to be delivered in the future.”<sup>7</sup> Not popular in the strict sense, it belongs instead among the systematic and esoteric writings—the chain of deductions that develops out of the *Doctrine of Science*—yet it belongs to these only as an appendix. It hangs on to the system at its outer point, the *Doctrine of Right*, without touching it at its core. And moreover, far from laying claim to the certainty of a priori deduction, it exists only as a test (*Probe*), implying that, despite its affinity to systematic philosophy, it remains concerned with something irreducibly empirical and contingent.

Should we not then conclude that, as the peripheral work of a philosopher who, despite his extremely significant role in German idealism, has traditionally often been regarded as playing a merely transitional role in its development, the *Closed Commercial State* is of little more than antiquarian interest?<sup>8</sup> While the biographer can hardly ignore such a vivid illustration of both Fichte’s political engagement and intellectual megalomania, and while the intellectual historian must grant at least a few passing words to a work that is not without influence in the development of socialist economic thought, it seems doubtful that those who approach Fichte with more fundamental philosophical concerns, regardless whether they seek to reconstruct the tendency and implications of his system or discover a thinking that runs against the system’s grain, need pay it much attention.

Yet if the *Closed Commercial State* is merely an appendix to the system—merely a hanger-on to what, hanging together, constitutes a discrete whole—it must seem strange that Fichte, according to the testimony of his son, would speak of the *Closed Commercial State* as his “best, most thought-through work.”<sup>9</sup> Nor was he alone in holding his work in such esteem. Just three years after its publication, Friedrich Schlegel, the great Romantic literary critic and philosopher, would describe the *Closed Commercial State* as “a model for how the philosopher can write for that public that interests itself, in the first place, for politics; indeed we seldom find writing of such clarity and at the same time such brevity. In no area of study, save the *Doctrine of Science*, does Fichte appear so much as an original thinker, and as regards the last-named writing in particular, as an observer of deep penetration.”<sup>10</sup> In similarly hyperbolic terms, a reviewer from the *Literaturzeitung* of Salzburg claims that “the author himself has not yet delivered a work of this degree of perfection, and, in truth, there is hardly any other work in our literature that equals this work in consequent and complete derivation from a principle, precision of expression, and luminous representation.”<sup>11</sup> Nor was it only its admirers who saw the consequence of Fichte’s reasoning. Often it was the fiercest critics of the *Closed Commercial State* who recognized, if only ironically, the philosophical significance of Fichte’s foray into economics. Thus, for

Gentz, the German translator of Edmund Burke's *Reflections on the Revolution in France*, the "speculative consequence" of the *Closed Commercial State*—a consequence that offers nothing more than a rather dubious compensation for the poverty and falsehood of its premises—is characteristic for a system that is "hostile to all true realism [*Realistik*]" and whose "consequent perversion has no limits."<sup>12</sup> It was, in other words, the most honest revelation of the true nature of the new Kantian philosophy; an unmistakable symptom of the speculative spirit that, blowing across Europe, threatened to ravage the existing order of things. While many questioned Fichte's competence as an economist and mocked the pretensions of the philosopher to address the mundane concerns of the practicing statesman, few doubted that, precisely in trying to subsume the most worldly of matters under a strictly a priori reasoning, the *Closed Commercial State* had revealed the inner tendency of a mode of thinking that no longer respected the traditionally enforced oppositions between theory and practice, esoteric and exoteric knowledge, or the affairs of spirit and the affairs of the world.

If it is still premature to place the *Closed Commercial State* at the crux of Fichte's thought, these testimonials suggest that, at the very least, there is more than meets the eye. Moreover, though, even a cursory look at Fichte's writings reveals that political economy is a vital concern throughout his life. In one of the earliest writings preserved in his literary estate, the 1788 *Accidental Thoughts of a Sleepless Night*, a young Fichte, not yet awakened to Kant's philosophy, rails against the vice and depravity of his age, proposing the need for a book that would at once expose the "complete corruption of our government and our morals" in a popular style suited to the tastes of a "frivolous age" and at the same time describe the foundations of a better government and better morals together with the means to obtain them.<sup>13</sup> Such vitriolic indignation was, in itself, nothing remarkable for an age captivated, as was Fichte, by Rousseau and other less subtle moralizers. Yet in these rather chaotically organized "accidental" thoughts, the problematic of political economy already appears as one of the principal factors influencing morality. While the chief cause for the "thorough moral corruption" of the age is the decline of the institution of marriage, the blame for this decline rests not only with the contempt that the people have for this institution, but in the culture of luxury, with its implicit economic inequalities, having made it more difficult to enter into a lawful union with the opposite sex. This results in the isolation of the individual and the suppression of the "more noble social sensations."<sup>14</sup> Licentious behavior (*Liederlichkeit*) and profligacy are, in this way, not the cause, but the result of poverty. Underlying Fichte's apparent moralizing crusade for "family values" is thus the burgeoning realization that the economic conditions of a society, without absolutely determining the nature of peoples' actions, influence the temporal horizon of

human life. When people have little hope of directing their sensual desires toward a higher end such as procreation, they will end up living purely in the moment, with each trying “merely to enjoy a great deal during the days of his life, as much as he can lay hold of [reißen] for himself.”<sup>15</sup> Economic injustice, this is to say, threatens to undermine the very possibility of future-directed action, and hence of politics itself.

These insomniac thoughts remain rather accidental in nature. Yet with the *Contribution to the Correction of the Judgments of the Public concerning the French Revolution*, a defense of political radicalism published anonymously in 1793, Fichte’s thoughts on political economy assume a more rigorous and mature aspect. Even though the question that opens the main body of the text—namely, whether “a people [has] the right to change its constitution”<sup>16</sup>—itself belongs squarely within the tradition of natural right and social contract theory, Fichte soon enters into a theoretical *terra incognita*, grounding his inquiry into rights in a specifically idealist concept of human nature while at the same time considering not just the nature of man’s fundamental rights but the nature of property, to an extent even subordinating the former considerations to the latter.

Because this transformation is of such great importance for understanding the place of economics in the *Contribution* and throughout Fichte’s thought as a whole, it would be useful to consider his argument in some detail. Whether a people has a right to change its constitution depends on whether this right can be alienated through a prior social contract.<sup>17</sup> Fichte, however, denies outright that a people could ever renounce its right to change its constitution, for renouncing this right not only contradicts the highest purpose of humanity, but also violates the very form of the contract, since if everyone *should* wish to change the constitution, the separate contracting parties would collapse into a single entity. A contract cannot oblige people not to do something that everyone agrees must be done, since the very structure of a contract implies diverging wills.<sup>18</sup> Hence, he need only consider if a people can collectively renounce the right to change the constitution without the permission of every single individual, or even more specifically—since forcing someone to accept a new constitution without their consent already violates the elemental rights of man—whether someone could relinquish the right to withdraw from the old constitution without the consent of all parties.<sup>19</sup>

Having refined and focused the leading question of the *Contribution* in this way, Fichte argues that every contract depends for its validity on the contracting parties honestly willing the fulfillment of its terms. As soon as either party changes his will in this regard, he is released from the contract, and hence, in the case of the founding treaties of a political community, released from the terms of the constitution, returning, in his relation to the state, to his natural condition.<sup>20</sup> In this purely formal sense, the right

to constitutional change cannot be alienated. Even so, this merely formal right would be de facto of no consequence were we unable to “take anything with us” on our return to the state of nature; or if, in other words, the state, should we violate the social contract, were able to justly claim, as retribution, all our property, and thus deprive us of the essential means of sustenance. In this way, the very possibility of a just revolution in the present state of affairs comes to depend on the nature of property. To justify the French Revolution, against its conservative and moderate opponents, Fichte must prove that not only our inalienable human rights and our bodies, but also our external goods, exist prior to the state, and do not depend on the latter.<sup>21</sup> Needed, in other words, is a theory of property. The foundation of this theory of property is the claim that:

originally we are ourselves *our* property. No one is, nor can anyone become, our master. We bear deep within our breast our own letter of emancipation, given to us under a divine seal. God himself has emancipated us and said: from now on be no one’s slave. What being may then appropriate us for itself?

We are *our* property: I say, and thereby assume something twofold in us: a proprietor and a property. The pure I in us, reason, is master of our sensual nature, of all our spiritual and physical forces [*Kräfte*]; it may use them as means to whatever end it wishes.

Surrounding us are things that are not their own property; for they are not free: but originally they also are not ours; since they do not belong to our sensual I.

We have the right to use our own sensual forces to whatever end we wish that is not forbidden by the law of reason. The law of reason does not forbid that, through our forces, we use those things that are not our property as means to our ends, nor that we make them fit to serve as such means. Thus we have the right to apply our forces to these things.<sup>22</sup>

As in Locke’s 1690 *Second Treatise of Government*, our original rights are a function of natural activity, and our “own person” constitutes the original property from which every other form of earthly property is derived. Fichte likewise follows Locke in attaching central importance to labor in the acquisition of “secondary property.”<sup>23</sup> Yet because Fichte conceives of this activity not as the action of the natural human body per se, but rather as the pure I—the spontaneity of pure reason—and likewise understands labor specifically in terms of the imposition of form on matter, the nature of this first property undergoes a subtle yet profound transformation. Whereas

Locke applies the term *property* ambiguously to both our own person and to property in the strict sense and yet retains a fundamental and unbridgeable difference between the two, for Fichte, the physical and spiritual forces of the individual are property specifically as the means or instrument through which pure reason realizes the ends that it wills for itself. In this way, our empirical, individual self—the totality of the forces through which we act directly upon the world—is property in precisely the same sense as external objects are property. Pure reason, itself identified by Fichte as a capacity for willing ends, creates further tools and means to its ends by transforming the world around it. The only difference is that in the latter case, property is acquired not by nature but by freedom, and no longer stands in an immediate relation to the original proprietor—pure reason. Because original property and secondary property are thus grounded in the same principle, there is no absolute boundary between them.

The far-reaching implications of this seemingly rather subtle and abstract shift in the nature of property appear, with particular clarity, in the polemic against Rehberg. In refuting the arguments of the conservative historian and political theorist, Fichte denies that we ever possess material *qua* material as property. Even land—the most obvious counterexample—only becomes our property when it is made arable through human labor or at least somehow demarcated through a physical boundary. Hence, to argue that a certain kind of property—e.g., landed property—, being material rather than formal in nature, is bestowed by the state rather than acquired through the individual's labor, issues in absurdity. For by the same token, everything would be a gift of the state, save the pure I itself, since no *thing* exists purely as form.<sup>24</sup>

The literature on Fichte for the most part conceives of the *Contribution* as belonging to a stage of Fichte's thinking that, despite certain socialistic tendencies, is still characterized by a commitment to the fundamentally bourgeois principles of political liberalism rejected in such later works as the *Closed Commercial State* or the *Addresses to the German Nation*.<sup>25</sup> In the *Contribution*, to be sure, Fichte strongly affirms the optimistic faith, given profound expression in Smith's *Wealth of Nations*, that granting to every individual the free disposal of his original property—his mental and physical powers—would lead both to greater equity and greater prosperity and ultimately allow whoever works to live without compromising his human dignity.<sup>26</sup> In later works, however, such as the *Closed Commercial State*, Fichte will abandon the notion that property could preexist the state. While the source of property remains the activity of the individual, property itself will come to be understood as intersubjective, never existing apart from reciprocal treaties and the recognition of the other.<sup>27</sup> In the *Closed Commercial State*, “the first and original property, the basis of all others” consists not in the

activity of the will as such, but in “an exclusive right to a determinate free activity.”<sup>28</sup> Nevertheless, the above reading of the *Contribution* also suggests that, already in this early stage of his political thought, Fichte conceives of the relation of property and rights in a way that forbids limiting the duty of the state to guaranteeing negative freedom. Rather, by extending property to the entirety of the sensible world and denying any essential opposition between primary and secondary property, he makes it impossible to conceive of political justice apart from economic justice. At the same time, we also see that, just as questions of politics and Right lead back to economics, economics leads back to philosophy. Already in the *Contribution*, itself written just before the theoretical breakthrough of the *Doctrine of Science*, Fichte is aware that the nature of property can only be grasped from the vantage point of critical philosophy; from a recognition of the distinction between the pure I—pure reason as the practical activity of willing—and the empirical I. Understanding the nature of property, this implies, can never just be a question of applying theoretical tenets to worldly affairs. Instead, property marks a point where the boundaries of the body and the world, the collective and the individual, and ultimately the theoretical and the practical, become fluid. If the human body is originally granted us by nature rather than produced through our freedom, thus justifying a distinction between natural and artificial property, nature is nevertheless not an unchanging absolute, but contingent and subject to the modifications of our will.

Fichte’s final sustained confrontation with political economy appears in the 1812 *System of the Doctrine of Right*—twelve years after the publication of the *Closed Commercial State* and almost two decades removed from the *Contribution*.<sup>29</sup> In this late work, written only a few years before Fichte’s death, the questions of political economy not only retain all the urgency that they have in the *Closed Commercial State*, but are themselves included within the system of Right itself, and indeed as its most central part. Not only does their discussion fill out one hundred of the one hundred and sixty pages of the *Doctrine of Right*, but they take precedence before questions of constitutionality and sovereignty. Moreover, while the 1812 *Doctrine of Right* retains the most fundamental tenets of the *Closed Commercial State*—the definition of property in terms of activity; the insistence that people have no rights if they are without property; and the demand for economic as well as juridical closure—there is also ample evidence that, in the intervening years, Fichte continued to reflect seriously on questions of political economy, taking pains to engage more with mainstream economic theory. Issues that he ignores altogether in the *Closed Commercial State*, such as the role of investment capital and wage-laborers, are treated in considerable detail, while at the same time, as if seeking some rapprochement with his critics, he moderates many of the more extreme proposals of the earlier work. Yet



perhaps the most striking innovation of the 1812 *Doctrine of Right* is its unconditional defense of a right to leisure. Since Aristotle, the possession of leisure (*scholē*) has been regarded as a condition of philosophy and the *vita contemplativa*. By making leisure (*Muße*) essential to the definition of property—by conceiving of property in terms of the right to freely unfold one's rational nature—Fichte makes the fate of philosophy depend on economic conditions, while at the same time establishing the universal participation in the *vita contemplativa* as the highest aim of political economy.

This brief survey suggests that the problem of political economy, while apparently at the periphery of Fichte's system, is, perhaps precisely as this peripheral moment, of great significance for his thought. If economics is not concerned ultimately with the sustenance and quality of merely sensual human life, but rather with the production and distribution of the surplus as leisure, different economic regimes must themselves find different possibilities of philosophy—cultures of reason differing in both kind and degree.

There is yet another reason why we cannot neglect the *Closed Commercial State*, even if it seems quite peripheral to Fichte's system. Precisely as such a marginal, even transitional, text, it occupies a singular place among the writings of a philosopher whose life of extreme passages gave him to feel with peculiar intensity the mercurial nature of worldly goods and fortune.<sup>30</sup> Born the eldest son to a family of weavers, it is only by a strange turn of events that Fichte was rescued from the obscurity to which his humble roots had destined him, allowing him, through the support of a local lord, to study for the clerical vocation. Wrested from his family in the ninth year of his life, he was able to attend Schulpforte—the private ducal boarding school—and go on to university, yet the loss of the support of his patron forced him to abandon his studies and, destitute and with few prospects, begin a succession of often humiliating posts as a private tutor.<sup>31</sup> His dreams of a literary career and worldly influence might have remained unrealized, had not fortune once again intervened—and indeed fortune in the form of reason itself. Fichte discovered Kant's critical philosophy. Reborn through it—rescued from having to choose between deterministic reason and irrational faith—he wrote his first philosophical work in a Kantian vein: the *Attempt at a Critique of all Revelation*. Published anonymously, either by accident or at the whim of the publisher, it was mistakenly thought to be Kant's own promised fourth critique by several prominent reviewers. Till then an outsider and nobody, living on the fringes of the educated world, Fichte suddenly became one of the most famous men in Germany: the leading representative of the new philosophy, and indeed, in 1794, the successor to Reinhold in Jena. His fate, and his fame, seemed settled, and yet by the end of the decade he once again faced an uncertain future. Expelled from his position as a result of the Atheism controversy, he was forced to seek

refuge in Berlin. No longer at the center of German philosophy,<sup>32</sup> he was soon overshadowed by Schelling and Hegel, and spent the rest of his career in relative obscurity until his untimely death from cholera.

Within the precarious life of a philosopher who, like Socrates, had been charged with impiety, the *Closed Commercial State* indeed itself marks numerous passages: from Jena to Berlin; from the first formulations of the *Doctrine of Science* to a more historically inclined phase of his system; from his political liberalism to socialism, statism, and nationalism. Published late in the year 1800, it stands not only at the halfway point of Fichte's literary career, but also at the cusp between the eighteenth and nineteenth centuries; between the Enlightenment and Romanticism; the French Revolution and the Napoleonic Empire. Moreover, though, the principal task of the *Closed Commercial State* is itself a task of transition: of tracing out, and even initiating, the passage from the ideal to the real—the realization of philosophy. This task, already implicit in Fichte's systematic philosophy with its focus on the practical nature of reason, dominates the bulk of Fichte's extrasystematic writings. Both the problem of language, as we see in the *Addresses to the German Nation*, and the problem of history concern nothing else. Yet this task is nowhere taken more seriously than in the *Closed Commercial State*. Here, as I will show, Fichte attempts nothing less than to spell out a specific, all-transforming, intervention into history. In other words, he addresses the practical nature of reason from the perspective of praxis. Fichte's economic treatise, in this way, is eminently the work of a philosopher in exile, and indeed of philosophy in exile from itself, or at least from the immediate realization of its ideal—from the self-sufficiency of purely theoretical contemplation—and forced to cross over into praxis.<sup>33</sup>

The aim of this interpretive essay is to show how the *Closed Commercial State*, precisely in its transitional and marginal character, is crucial to Fichte's thought as a whole, functioning as a passage and conduit leading between different dimensions of his work. In so doing, I also hope to introduce the *Closed Commercial State* to a general readership and provide a cohesive and original interpretation of a work that, up till very recently, has been largely neglected by scholarly literature.<sup>34</sup> While I aim ultimately to read his thought as a whole through this critical moment—thinking through the thought that is most thought through in the *Closed Commercial State*—this will not come at the expense of a “literal interpretation” of the work in question. Rather, it is by attending to textual details of the *Closed Commercial State* that its relation to the rest of Fichte's works will become most evident, even if sometimes the results of this more literal reading run against the grain of traditional interpretations of his thought. That I feel compelled, in what follows, to go beyond the relatively modest intentions of a scholarly introduction results from the special sort of challenge that

the *Closed Commercial State* presents to its readers. Some works speak to the future through a rich and pregnant obscurity, some through the vigor of their central ideas, and yet others through the richness of empirical analysis. It is, however, the very lucidity of Fichte's economic theory that renders it mute to modern ears. So naive in its belief in the possibility of a planned economy, so lacking all appreciation for the subtlety of human nature, and yet presented with so much assurance and vigor, the *Closed Commercial State* appears strange, and even somewhat fatuous, when judged against the works of Smith, Ricardo, J. S. Mill, and Marx—indeed, as little more than a curiosity piece from the margins of a philosophy still too often regarded as a curious sideshow to the caravan of “great thoughts.” Fichte insists, over and over again, that the greater part of his readers will not and cannot understand him; that a kind of vertigo will strike them as they try to find their way through a nexus of relations consisting not in facts but in concepts; not in what is given but what is possible. But for a modern reader, the arguments of the *Closed Commercial State*, despite their idealist framework, will probably seem too straightforward and simplistic, and ultimately misguided. For this reason, little is gained merely by clarifying Fichte's arguments—arguments that are, on the surface at least, already sufficiently clear. Rather, we must complicate and upset what seems simple. This means, first of all, seeing more in the *Closed Commercial State* than just a contribution to a positive understanding of economic relations that issues in specific, albeit radical, policy proposals.<sup>35</sup> Thus, I seek to show that the *Closed Commercial State* does not exhaust itself in revealing the nature of existing economic relations, or in deducing the relations that ideally should exist, or even in laying out in universal terms the path leading from the one to the other.

My strategy is twofold. On the one hand, I shall read the problem of economics over into the rest of his work, not only by exposing its persistence as an explicit theme in his writings but also by developing less obvious relations to his systematic philosophy. Economics shall, in this way, come to appear as the Ariadne's thread leading through the labyrinth of his thought. On the other hand, I shall read Fichte's more systematic discussions of history over into the *Closed Commercial State*. By attending to these crossings of economics and history, I shall show that, for Fichte, history is, above all, monetary in nature. The crux of history is money.

The medial nature of money, suggested in the literal meaning of commerce (*Verkehr*), is a major theme of the *Closed Commercial State*. Likewise, historical time for Fichte is not only the transition and passage from past to present, but involves the momentary, transitory convergence of different tendencies; different possible transitions. The transitional, transitory nature shared by economics and history, moreover, not only makes them analogous and complementary, but each complicates the other. Only by reading them

in conjunction—discovering, as it were, their reciprocal intrigue—can we begin to discover the surprising complexity of Fichte's economic theory.

My own itinerary will, for the most part, follow the argument of the *Closed Commercial State* itself, which I will try to present in some detail. Since so much of the argument of the *Closed Commercial State* depends on these transitions, I do not rigidly distinguish between the exposition of the argument and its interpretation, but try instead to maintain a fluid relation between these two strands. This, however, makes it all the more necessary to orient the reader at the outset by outlining the trajectory of this interpretive essay.

In the second section (§2) of this essay, which immediately follows the present remarks, I address the dedication that opens the *Closed Commercial State*. Examining the opposition Fichte draws between the speculative and the practicing politician, I suggest that the peculiar character of this dedication, with its explicit engagement in philosophical argumentation, challenges conventional assumptions about the rhetorical function of the text as a whole. In the third section (§3), I turn to the introduction of the *Closed Commercial State*, where Fichte, by explaining the relation of the ideal to the real state, establishes the possibility of historical understanding and transformative historical action, both of which require a proper understanding of the relation between the empirical and speculative. Reading this discussion in the context of Fichte's critique of Rousseau's *Discourse on the Arts and Sciences* suggests both the difficulty of attaining such an understanding and the dangerous consequences of getting it wrong. To overcome the impasse of Rousseau, whose feeling and understanding were at odds with one another, leading him into absurd errors in his conception of history, nothing less is needed than a revolution in philosophy; the discovery of a mode of reflection prior to the split between rationalism and empiricism. The fourth section (§4) continues this discussion of Fichte's understanding of politics as a historical praxis and *technē*, placing special emphasis on the way in which he reconciles the historical and the technical, both in the *Closed Commercial State* and in later works. This reconciliation, I suggest, is brought about by reconceiving the relation of the real and the ideal and understanding art, the transition from the latter to the former, not principally as the act of an individual subject toward an objective reality but rather as the realization of infinite reason through a world—through a certain community of finite beings. Politics, as the most fundamental art, creates history as the continuum of time that connects the real with the ideal through an infinite series of mediating moments. In just this way, moreover, political, history-making praxis requires historical understanding: a grasp of the present time in which political action must intervene.

This sheds light on the division of the *Closed Commercial State* into three books. Each of these books establishes a necessary moment of political

action as historical praxis: the first derives the just economic relations that are the end of political action, the second presents the historical tendency of the present moment through a history of the present (*Zeitgeschichte*), and the third describes the action that intervenes in the present in order to bring about the realization of the ideal.

The discussion of the first book encompasses sections five (§5) through seven (§7). For Fichte, I will argue, the first end of politics is neither life nor pleasure, but self-realization. Precisely for this reason, space and time play a crucial role in Fichte's rational construction of economic relations and the right to property. Property offers a mediation between the monadic time of the free individual and the monistic space in which the actions of free individuals come into collision with one another. Section six (§6) considers Fichte's attempt to reconcile the division of labor with an equality of property, and section seven (§7) examines Fichte's theory of value. Because Fichte is unable to represent the value of pleasure-producing luxury goods in terms of a purely utilitarian base commodity without presupposing the prior existence of anarchic market forces, his attempt at a rational construction of economic relations ultimately fails. This need not disqualify the entire project of the *Closed Commercial State*, yet it complicates our previous understanding of the nature of political praxis. The concept of the rational state, it becomes clear, is too weak even to exist as a regulatory ideal. Instead, it has merely a rhetorical function, presenting a glimpse of an ideal future that remains essentially unfathomable; a glimpse that inspires us to action without presenting a definite, rationally founded end to our actions.

In our reading of the *Closed Commercial State* up to this point, the question of history has come to assume ever greater significance and subtlety. Yet it is not until the second book that Fichte attacks the problem of history directly. The second book begins with an invocation of wonder, which, as I argue in section eight (§8), provides the transition to his account of the history of the present. Wonder, for Fichte, is the proper attitude toward the contingency of history; an attitude that is neither purely empirical nor purely speculative, but requires a receptivity for precisely that which, in a given state of affairs, is open to change. It involves desecrating the conflicting tendencies that exist in a present moment. This helps (§9) us to see what is at stake in Fichte's explanation of the opposed tendencies of the ancient and the modern world. At the heart of his account of the tendency of the modern age, however, is the role of money. In section ten (§10), I argue that for Fichte money marks the point of contact between possible futures: a future of pure speculation, generated merely by an infinitely reflected opinion, and a future promising the true fulfillment of human need. The everyday present reality, the moment at which political action must intervene, exists between these two futures. Recapitulating the theory of history

developed thus far in the *Closed Commercial State*, I claim (§11) that for Fichte, history is, of essence, neither materialist nor idealist, but monetary. It is money above all, itself both real and ideal, that announces at once the danger and the possibility of history.

Sections twelve (§12) through fourteen (§14) address the argument of the third book: the description of the money operation (the substitution of national for world currency) that will not only lead to the closure of the particular state in question, but will set off a chain reaction of national closures. For this operation to succeed, I argue (§13), the government must lay hold of and gain mastery over public opinion. Thus, Fichte's state, like Plato's, begins with a "first falsehood"; though in this case the lie disqualifies, rather than repeats, the valorization of gold. In section fourteen (§14), I again return to Fichte's account of history, reviewing the different aspects of history in the *Closed Commercial State* and also looking forward to Fichte's later writings, including both the *Fundamental Characteristics of the Present Age* and the 1813 *Doctrine of the State*. For Fichte, I will claim, money is the crux not only of historical understanding but also of historical action. The political act that inaugurates a history leading to a rational arrangement of commerce, and hence to the rational state as such, must not only grasp the present moment in the extremity of its opposing tendencies, but strike at its heart—at money itself. This, in turn, suggests the proximity of Fichte's economic and religious thought. The money operation aims at money as the crux of history: the death of the old money and its resurrection in a new form is the rebirth of the state, and it thus stands in a precise analogy to the Christology of his later period.

In the conclusion of this interpretive essay (§15), I will draw connections between Fichte's *Closed Commercial State* and more contemporary concerns, considering its contribution to economics and political philosophy and its relevance to the question of globalism.

## §2. Philosophy and Politics

The three main books of the *Closed Commercial State* are preceded by a lengthy dedication, an introduction, and also a brief "preliminary explanation of the title." All three offer valuable clues for reading the work as a whole. Yet the dedicatory remarks, though not contributing directly to the systematic development of the argument of the *Closed Commercial State*, are especially important in this regard. Even the very existence of these remarks, directed to August von Struensee, the Prussian minister in charge of commerce and industry, is striking. Not only were Fichte's previous works published without even a cursory dedication, but Fichte, given his Jacobin leanings, must have

regarded the dedication as a dangerous anachronism, rooted in an idea of patronage that reduced the thinker to a mere servant of the state. Especially given Fichte's strong appreciation for the art of rhetoric, evident above all in his popular writings and lectures, it must seem strange, and even to contradict the great value he would place on the *Öffentlichkeit* or *Publikum* (the public or *δημος*) and the art of public speaking, to have his work dedicated and even addressed not only to a single individual—even if nevertheless “in full view of the public”—but to a privy minister; a civil servant whose own official functions were shrouded in state-sanctioned secrecy.<sup>36</sup>

Stranger still, at the same time as he restores the convention of the dedication, with its implied relations of class and power, he also undermines the presuppositions on which it depends. Taking pains to justify himself through the precedent of past generations, he uses these remarks not merely to express, as is customary, his gratitude toward and veneration of his patron, but also to clarify the purpose of his work and its “probable result.”<sup>37</sup> He gives his own patron, as it were, lessons in the art of reading, and instructs him on the very relations of authority that would seem to concern, above all else, his own relation to his client.

All this suggests that neither the goal of this work, nor its status as a work of writing, is self-evident. Instead, these require a special sort of explanation, and indeed precisely because, not merely a work of philosophy or scholarship, its purpose is no longer mere edification. Its goal passes beyond an enlightenment-seeking public and penetrates into the secret chambers of the absolutist government: into the locus of a mysterious and concealed power over history, and, above all, as we shall see, power over money.<sup>38</sup> It is not purely scholarly or philosophical but political. And this means, first of all, that it seeks nothing less than a passage from theory into practice.

It is perhaps because Fichte knew he was overstepping the bounds his own age imposed on the scholar, and thus subjecting himself to the danger of ridicule and even official censure, that these dedicatory remarks begin with an apologetic tone rare for a philosopher who, with the Atheism Controversy, had become notorious for his stubbornness and refusal to compromise.<sup>39</sup> Nevertheless, even this apology conceals, and only just barely, the demand posed to the world by the philosopher's awareness of the sovereign rights of reason. For at stake is not so much the right of philosophers to “offer their thoughts concerning the organization and governance of states”—a right that has, in fact, always been granted them—but rather the right to have their suggestions taken seriously by those in power. And while Fichte grants the reproach made against such suggestions, admitting that the purely speculative proposal of such “Platonic republics” and “their utopian constitutions” does not and cannot apply directly to the actual state of affairs in the world,<sup>40</sup> he nevertheless maintains that the philosopher, if he

“holds his science to be not a mere game but something serious, will never either grant or presuppose that it is absolutely impossible to carry out his proposals.”<sup>41</sup> The very dignity of philosophy itself, its seriousness, depends on the possibility of practical effect in the world. Several decades before Marx’s *Theses on Feuerbach*, Fichte will emphatically claim that the task of philosophy is nothing else than to change the world.<sup>42</sup>

Thus, a contradiction seems to emerge between, on the one hand, the immediate unfeasibility of that which has been proposed at a purely theoretical level, and which, as a product of pure reason, is alone capable of representing the ideal organization of human affairs, and, on the other hand, the demand for feasibility that necessarily issues from philosophy. This contradiction is overcome by postulating a process of mediation between the ideal and the real. The purely theoretical suggestions, presented as they are in absolute generality, “*simply require further determination* if they are to fit an actually given state of affairs,”<sup>43</sup> with this further determination itself involving three separate stages. Beginning from a purely theoretical exposition of the ideal state, the political work applies these principles, themselves exclusively concerned with principles of Right, to a more limited state of affairs—for example, the common predicament of all the European states in a given epoch. Finally, it is the task of the practical politician to fit this to the particular case of a given state at a given moment of time.<sup>44</sup>

In the second half of the dedication, this more apologetic and moderate tone gives way to a fierce critique of a purely empiricist attitude toward politics. As long as a politics were rigorously and thoroughly developed according to the model Fichte proposes, beginning from solid principles of Right of state and a correct understanding of the present historical situation, it could “only seem useless to the mere empiricist, who trusts no concept or calculation, but only the confirmation of immediate experience.”<sup>45</sup> Similar polemics against vulgar empiricism appear throughout his writings. While these are clearly aimed, in part, against the English philosophical tradition and in particular the Burkean conservatism represented in Germany by Gentz and Rehberg, Fichte regards the explicit and foundational claims of an empiricist epistemology as themselves rooted in the natural attitude of those who are incapable of freeing their minds from the contingency of sensual experience. Moreover, we must not confuse Fichte’s critique of empiricism with a lack of historical sensibility. If, on the one hand, Fichte must reject the naturalistic collapse of the fact/value distinction and an identification of norms with historically and culturally contingent standards of behavior, he nevertheless attacks the empirical attitude to politics not only because it is mistaken about the truth of political relations, but because it makes impossible a genuinely *practical* attitude toward the present historical moment:



Let us merely ask such a politician: those who were the first to use the measures that he now approves and imitates—whom did they imitate? What did they rely on as they seized on these measures? Previous experience or calculation? Let us remind him that everything that is now old was once new, nor is it possible that the human race has fallen so far in latter times as to be left only with memory and the ability to imitate. We will show him that through the progress of the human race, which occurred without his doing and which he can do nothing to keep in check, a great deal has changed, making necessary entirely new measures—measures that previous ages could neither devise nor implement. It might be instructive, faced with such a politician, to conduct a historical investigation into the question whether more evil has arisen in the world through daring innovations or through a sluggish adherence to outdated measures that are either no longer able to be implemented, or are no longer sufficient.<sup>46</sup>

Having begun the dedication in a tone of defiance, Fichte ends in apparent resignation. Turning from more general considerations of the relation of the speculative and practicing politicians to the specific prospects of the *Closed Commercial State* itself, the “likelihood that it will achieve its intended aim,” Fichte concedes that, because the balance of trade so favors Europe over the rest of the world, even the weakest European state benefits in some measure from “the common exploitation of the rest of the world” and will not give up hope of “improving the balance in its favor and thus gaining an even greater advantage.”<sup>47</sup> Even if one were to counter such arguments by pointing out that the relations of colonialism, being neither just nor prudent, cannot endure, defenders of the status quo will nevertheless argue that one should “take advantage of this for as long as it continues, leaving it to the generations that are around when it finally comes to an end to figure out for themselves how they will cope.”<sup>48</sup>

Fichte abruptly admits that he has no answer to this sort of reasoning. Yet perhaps we should not take this concession of defeat at face value. For in the end, as we shall see, Fichte does attempt to answer to even the most self-interested parties, and indeed by proposing a political intervention that appeals to a logic of self-interest in making a case for the need not only to act, but to act soon, by claiming that the first state that undertakes the measures he proposes will benefit the most.

His concession of defeat before the forces of history, and his resignation that his “sketch might also remain a mere school-exercise, without consequence in the real world—a link in the chain of his gradually developing system” might well prove, in the end, nothing more than a bluff.

### §3. The Rational State and the Actual State: Fichte's Critique of Rousseau

The dedication, as we saw, considers the relation between the philosopher and the practicing politician. Having established that philosophy can and must be practical—that the ideals it posits demand realization in the world—Fichte explores in more detail how this realization is possible, clarifying the relation of the rational state to the actual state and of the pure doctrine of Right to politics. Because these relations are of such great importance for understanding the structure and argument of the *Closed Commercial State*, and above all its place in Fichte's thought as a whole, it will be useful to devote some time to understanding them in all their ramifications.

The kernel of Fichte's argument is, to be sure, quite simple: the rational state is an ideal that the pure doctrine of Right generates by considering human beings apart from all historical contingency and constructing the necessary relations between individuals in accordance with the concepts of Right. Since relations between human beings in the real world are for the most part products of "chance or providence" rather than "concepts and artifice,"<sup>49</sup> we can never expect to find people actually joined together into a rational state. Yet precisely because this argument seems *prima facie* self-evident, even for those who are skeptical of its epistemological foundations, we must, if we are to properly grasp its significance and implications, try to place it in the context of the contemporaneous discourses to which it answers.

The defense of the political relevance of norms and ideals, as we have already seen, attacks not only the purely empirical attitude of the practitioners of *Realpolitik*, but also a more philosophical commitment to dogmatic naturalism. That this ideal is a product of reason alone is, moreover, a rejection of a theological tradition of politics that admits the existence of norms with binding force and yet considers at least some of these to have been granted to man through a special, historical revelation that is beyond, if not necessarily in contradiction with, reason. Yet in offering such a definition of the rational state, Fichte also has a more specific target in mind: without naming Rousseau by name, this definition presents the fruit of a transformative critique of his political thought. First broached in the *Contribution*,<sup>50</sup> this critique is elaborated in depth in the fifth of the *Lectures on the Destiny of the Scholar* (1794). Through a sustained reading of the *Discourse on the Arts and Sciences*, Fichte argues that Rousseau's cultural pessimism—his belief that the advance of culture is the source of, rather than the cure for, society's ills—stems from his confusing the state of nature with the ideal state.<sup>51</sup> Properly conceived, the latter would not be the starting

point but rather the destiny of human culture and history. This confusion, in turn, and all the contradictions to which it gives birth, is grounded in the peculiar nature of Rousseau's mind. Although he was possessed of an unerring sensibility (*Gefühl*), his feelings—the immediate source of all that is true in his thoughts—and his discursive reasoning conflicted with one another. Unable either to truly penetrate the former and unfold its content into conceptual lucidity or to renounce the claims of concepts altogether, Rousseau, in trying to give systematic articulation to his unerring feelings, ends up perverting them into falsehoods.<sup>52</sup> Only by acknowledging the error of Rousseau's reasoning without denying the divinity of his sensibility—understanding Rousseau better than he understood himself—would it be possible to realize the true relation between the real and rational state. Or, in other words, to realize that “*before us thus lies what Rousseau, under the name of the golden age, places behind us.*”<sup>53</sup>

What is ultimately at stake for Fichte in his interpretation of Rousseau is the possibility of historical understanding and transformative action in history. The prefatory remarks to the *Closed Commercial State* already suggest two extreme threats to such theory and practice. Whereas the attitude of pure speculation sees only the future, and thus loses itself in a mere play of concepts, pure empiricism remains beholden to the past, creating only imitations of imitations. It is likewise clear that if, in contrast, we are truly to grasp the present as the point where contact between the ideal and the real is possible, we must conceive of it in its relation to both the past and the future. It is, however, Fichte's earlier treatment of Rousseau that suggests the true difficulty of this task of mediation, itself of such great significance for the project of the *Closed Commercial State*. For Fichte, as we saw, Rousseau's thought is neither purely speculative nor empirical but already represents a middle between these two opposed possibilities. Yet Rousseau fails to find a successful balance, and is consequently led toward the most dangerous contradictions. This failure, moreover, results not simply from mistaken premises, a lack of thoroughness, or even the peculiar nature of Rousseau's individuality. Rather, to achieve true integration and balance between empiricism and speculation would require nothing less than a fundamental revolution in philosophy; a new understanding of what it means to think, of how the conscious and explicit act of the philosopher relates to the immediate facts of consciousness and the unconscious processes of thought that constitute them. For as we learn from the *Doctrine of Science*, as long as the content and the form of thinking are believed to stand in a merely abstract relation to one another, philosophy is unable to explain either the theoretical or practical relation between subject and object—between the spontaneity of will and reason and the experiential givenness of the world.

When, in the fifth lecture, Fichte, describing Rousseau's failed attempt to explicate the content of his feeling, invokes an analytic epistemology in which discursive reason unfolds the originally given content of ideas, he at once describes Rousseau's error and diagnoses its cause. Likewise, by conceiving, in the introduction to the *Closed Commercial State*, of the ideal, the state of reason, no longer as what is first "felt" or intuited and then discursively elaborated, but rather as a *construct* of reason, Fichte presents, albeit in brief and unsystematic terms, the model for a mode of reflection that balances the empirical and the speculative attitude. This construction is a synthesis that begins not with the idea of the state, but merely of human nature and the concept of Right—both of which are given a more fundamental grounding in the *Doctrine of Science*. The capacity for synthetic a priori knowledge, as it were, is what allows for the rational construction of a political state; for the rational account of what is never simply given a priori, but comes into being, and thus, even while necessarily existing outside of the contingencies of real history, nevertheless has an essentially historical character.

We need only read a little between the lines to realize that, for Fichte, the great tragedy of Rousseau, considered not only as an individual but as a historical phenomenon, was that, while possessed of extraordinary rhetorical powers, a profound historical sensibility, and an acute sense for the practical efficacy of ideas, he was unable to think correctly about history. And since Fichte, throughout his philosophical career, identifies the French Revolution with Rousseau,<sup>54</sup> his critique of Rousseau develops into a critique of the revolution and a diagnosis of the causes of its failure. Thus, the problem of revolution, approached with such vigor and directness in 1793, is transformed, in his later works, into the question of history and a constellation of closely related problems.<sup>55</sup> While it is above all in the *Fundamental Characteristics of the Present Age* (1804) and the *Doctrine of the State* (1813) that Fichte will elaborate a theory of history, we already find its rudiments in the *Closed Commercial State*, and in particular in Fichte's account of the problem of the transition from the real to the ideal. Recalling a well-known passage from Schiller's *On the Aesthetic Education of Man*, itself a confrontation with Rousseau and the terror of the French Revolution,<sup>56</sup> Fichte warns that if the state were suddenly to destroy the constitution that binds people together in the real world, it would "disperse them and turn them into savages, thus nullifying its true purpose of building a rational state from them."<sup>57</sup> The task of politics, it follows, is not only to contemplate the ideal state of affairs—that which conforms to principles of Right—but to determine how much of this ideal can be realized under the given circumstances. Without ever forgoing its highest goals, it must try, as much as possible, to render change from the real to the ideal as smooth as possible.