

# E CONOMIC ROMANTICISM: MONETARY NATIONALISM IN JOHANN GOTTLIEB FICHTE AND ADAM MÜLLER

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When the phrase “monetary nationalism” is used today in the context of German history, it is usually taken to refer to the relatively recent past: to the close identification of the Federal Republic of Germany after the currency reform in 1948 with the emerging power of the D-mark, or to the economic incentives that helped shape German reunification four decades later. Indeed, who would deny that the introduction of the D-mark into the Western zones of occupied Germany was the fundamental founding act of the Federal Republic—even more so than the ratification of the *Grundgesetz*, the Federal Constitution, in 1949—just as the agreement on the currency union was the principal step on the path to reunification in 1989. Reflecting on the economic pressures that guided German reunification, the historian Wolfgang Mommsen has claimed that in the Federal Republic, the self-confidence of proven economic success functioned as a substitute for German national pride, forming the core political self-understanding of West-German citizens.<sup>1</sup> Similarly, in a widely publicized article first printed in the weekly newspaper *Die Zeit* in March 1990, Jürgen Habermas coined the phrase “D-mark nationalism” and warned of the dangers of predicating German reunification on the colonialist extension of the D-mark to the territory of the former German Democratic Republic.<sup>2</sup> As an alternative, Habermas argued for a rene-

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gotiation of the West-German constitution as the basis for a *political*, and not merely an economic, unification of the two postwar German states. Only such an act, according to Habermas, could ground the political self-identity of the newly unified Germany in the statutes of a commonly instituted civil society. When Helmut Kohl and his economic minister, Theo Waigel, “raised the flag of a new economic nationalism above the ruins of the Reichstag,” as Habermas pointedly remarks,<sup>3</sup> they also preempted the possibility of creating the basis for a new German nationalism founded on a uniformly ratified constitution and on mutually established political institutions.

Today references to D-mark nationalism might seem historically passé, since the D-mark, along with most other currencies of Western Europe, has been supplanted by the new European currency, the Euro. But we only need recall the deep-seated trepidation of the German populace in anticipation of this monetary makeover to realize that for the Germans there is more at stake in embracing the new European currency than just the threat of potential economic instability and of a softer currency: the Germans are abandoning the basis of their postwar (and postunification) national identity. Will D-mark nationalism be replaced by a new German Euro-internationalism? That, at least, was the promise embedded in the rhetoric of West-German politicians during the process of unification: united Germany as the center of a united Europe. It is clearly too early today to answer the question about the direction of German nationalism with the disappearance of the D-mark. Worthy of note is that the emerging European Union is itself predicated primarily on economic unity: Article 9 of the Maastricht treaty, after all, defines the basis of European cooperation as a customs and monetary union.<sup>4</sup> However, perhaps now, after the *de facto* institutional end of D-mark nationalism, is the proper time to reflect more generally on the history of German monetary nationalism. In this spirit I want to examine what might be considered the root theories of German monetary nationhood as they were articulated in two works by German romantic thinkers, in Johann Gottlieb Fichte’s *Der geschlossene Handelsstaat* (The Closed Commercial State) of 1800,<sup>5</sup> and Adam Müller’s *Versuche einer neuen Theorie des Geldes* (Essays on a New Theory of Money) of 1816.<sup>6</sup> Since Romanticism is often identified as the cradle of German ethno-linguistic nationalism, it seems especially important to recognize that other models for German nationalism were generated in this period as well.

It might seem anachronistic to apply the term “monetary nationalism” to ideas developed in the opening decades of the nineteenth century, since this concept itself is of much more recent coinage, first appearing in 1937 in the title of F. A. Hayek’s book, *Monetary Nationalism and International Stability*.<sup>7</sup> Yet already the second phrase in Hayek’s title, “international stability,” overlaps with one of the primary motivations behind Fichte’s defense, in *Der geschlossene Handelsstaat*, of the national state as a wholly autonomous and isolated economic entity. For Fichte, this economic autonomy is a prerequisite for the end of European colonial exploitation and it hence forms the necessary basis for a future world peace (*II*, 373). In order to understand how radically Fichte’s view departs from the generally accepted position of his time, we only need recall that just five years prior to the publication of *Der geschlossene Handelsstaat*, in 1795, Immanuel Kant had published his utopian political pamphlet, *Zum ewigen Frieden* (Toward Eternal

Peace), in which he argued, among other things, that the necessities of international economic trade and exchange are the principal driving force behind human peaceful coexistence, mutual understanding, and world community.<sup>8</sup> In this regard, Kant appears as a precursor of those who today advocate the beneficence of a “global economy.” Similarly, one of the most influential political thinkers among the German Romantics, the poet Friedrich von Hardenberg, best known under his pen name Novalis, echoes Kant’s valorization of economic exchange as the ground for cooperative community. In an entry from his notebooks entitled *Das allgemeine Brouillon* (The Universal Confusion) we find under the heading “Vom merkantilischen Geiste” (On the Spirit of Commerce) a soaring panegyric on the spirit of trade as the essence of culture:

The spirit of commerce is the *spirit of the world*. It is the sublime spirit as such. It sets everything in motion and connects everything. It awakens countries and cities—nations and works of art. It is the spirit of culture—the perfection of the human race. The *historical* spirit of commerce—which slavishly conforms to *given needs*, to the circumstances of time and place—is nothing but a bastard of the genuine, *creative* spirit of commerce.<sup>9</sup>

In Novalis’s description the spirit of economic commerce anticipates the idealized, creative, phenomenologizing qualities of Hegel’s dialectic of spirit: it is lionized as the motor behind all cultural innovation. The specific properties he attributes to this commercial spirit, moreover, are significant, since they recur in both Fichte’s and Müller’s theories of the monetary nation: the powers of infinite movement—circulation, in economic parlance—and of interconnection—what Fichte and Müller view as social integration. Now, Novalis does, in fact, refer here to the power of commerce to found nations, and Fichte’s and Müller’s monetary theories will concentrate primarily on this idea. But unlike them, Novalis understands this production of nationhood as a single precipitate of a more broadly conceived spirit of exchange that gives rise to all the monuments of human culture.

When writing *Der geschlossene Handelsstaat*, Fichte was not nearly as sanguine as Kant or Novalis about this universalized human spirit of exchange. In fact, as early as 1796, in a review of Kant’s *Zum ewigen Frieden*, Fichte openly attacked the reality of international commerce as a form of selfishness that legitimates theft from others in the interests of self-enrichment. Here he sarcastically and sardonically noted:

[T]he goods in our states have by no means all been used up and distributed, and there remains so much that can yet be desired and appropriated; and ultimately if everything at home should come to be consumed, the commercial exploitation of foreign peoples and territories will provide a constantly flowing, bountiful resource.<sup>10</sup>

Fichte not only alludes to the motives of mastery over and enslavement of others as part and parcel of Europe’s burgeoning colonialist enterprise, but even diagnoses the mechanism behind internal trade as a ravenous consumerism concerned only with selfish advantage and the satisfaction of personal desire. From this perspective it is relatively easy to understand why just four years later Fichte

would argue in *Der geschlossene Handelsstaat* for an interventionist stance in which the state monitors and controls not only all internal production, consumption, and trade, but forbids and actively prevents its citizens from participating in any international commerce whatsoever (see *H*, 419–20, 428, 435). In his theory Fichte anticipates down to specific details the principles of twentieth-century socialist planned economies: state establishment of prices and wages; exclusive state control over international commodity items, especially luxuries; absolute closure and autonomy from the world of international commerce; regulation of consumption; state control over property; state oversight over the type and number of occupational choices. Not surprisingly, this fact was not lost on scholars of Romantic political theory in former East Germany.<sup>11</sup> Indeed, in general Fichte's treatise has been recognized as one of the pioneering documents of a utopian socialism in the German tradition.<sup>12</sup> In *Der geschlossene Handelsstaat* Fichte broadens his critique of international commerce as the root of colonial expansionism and excess into a full-fledged attack on the principles of mercantilism, which advocated the advancement of national wealth by implementing policies that attracted the precious metals into a nation and limited their outflow, and that guaranteed and expanded this wealth by integrating the goods and products of that state's colonial empire into the "domestic" economy. Fichte inveighs against these mercantilist practices, asserting that they increase the prosperity of a few privileged nations while bringing about the total impoverishment of the rest of the world (*H*, 462; also 393). In this sense Fichte is one of the first to offer a critical analysis of what today we call the North-South divide in global political economics and, if he were alive today, we might imagine him joining the ranks of those who protest against the hegemonic economic policies of the World Trade Organization.

In *Der geschlossene Handelsstaat* Fichte is fighting a war on two fronts: against the traditions and realities of mercantilism, on the one hand, and against Adam Smith's laissez-faire economic principles, on the other.<sup>13</sup> If he maligns mercantilism as a self-centered will to mastery over others for the ends of amassing national wealth, he decries the "invisible hand" of supply and demand that provides equilibrium in Smith's market as "anarchy of trade" ("Anarchie des Handels"; *H*, 453) and baldly identifies profit as nothing but "theft" ("Raub," *H*, 447). The primary weapon he brings to this economic battlefield is a theory of money that, for its time, is wildly heretical. Fichte argues for nothing less than the abolition of all international currencies and the institution of a "Landesgeld" (*H*, 392), a limited national currency, that would by definition restrict all commerce to the internal domain of the nation that issues this limited currency. The "closure" of Fichte's commercial state is predicated entirely on this introduction of a national currency that makes no claims to transnational validity or acceptance, as well as on the complementary banishment of all universal "world" currencies—above all minted gold and silver—from this independent nation. Let us set aside the impracticality and inherent absurdity of what we can call, following Ernst Bloch,<sup>14</sup> Fichte's Chinese-Wall theory of economic autonomy, especially given the historical context of blossoming colonialism and emergent capitalism, by pointing to Fichte's awareness that his suggestions will be brushed aside or ignored as impossible to implement (*H*, 390, 393, 511). He excuses himself and justifies his treatise, despite this awareness, by pointing to the discrepancy between theory

and practice, and he ultimately insists that *in theory* his position represents the most rational conception of the national state. Fichte resigns himself, in other words, to the recognition that in matters of political economy, rational theory will bow to the contingencies and convenience of irrational but really existing practices (*H*, 398). Or does he? After all, he dedicated this treatise to the Prussian minister of finance Struensee (*H*, 389) and personally sent a copy of this work to the Prussian king.<sup>15</sup> Was this just an expression of political opportunism, as one critic has suggested?<sup>16</sup> It is true, of course, that Fichte completed the manuscript of *Handelsstaat* immediately after taking up residence in Berlin, after losing his professorial chair in Jena in the aftermath of the so-called *Atheismusstreit*, the dispute over atheism, and that he was hence strongly motivated to win recognition by the Prussian state and its representatives. But surely Fichte must have been aware that the peculiar ideas presented in this economic program were unlikely to put him in the good graces of the Prussian king and his finance minister, or secure him a professional future as a civil servant in the Prussian state! Thus it seems that Fichte must not merely have believed firmly in the inherent rationality of his economic proposals, but simultaneously subscribed to an optimistic faith in the ultimate victory of a rational theory over a set of irrational practices. Moreover, the very structure and argument of this work indicates that Fichte viewed it as an attempt to mediate between existing economic reality and the rational ideal manifest in his theory of the closed state: the tripartite structure of this text operates according to a logic of thesis, antithesis, and synthesis, with Fichte presenting his theory in part one, describing the realities and consequences of economic mercantilism in part two, and in part three, which he calls the “political” program of his treatise, offering practical measures for adjudicating between current economic conditions and the ideal practices of the wholly “rational” autonomous state he valorizes. Given Fichte’s persistent concern with the practical applicability of theoretical philosophy, perhaps it was this pragmatic political dimension that caused him to consider *Der geschlossene Handelsstaat* one of his best and most rigorously conceived philosophical tracts.<sup>17</sup>

In order for Fichte’s national currency to circulate freely within the nation that institutes it but be rejected as legal tender beyond the borders of this state, it must have certain specific properties. According to economic historians, the introduction of money into the economic process represents a revolutionary advance because as general equivalent money concentrates several economic functions into one single entity. Money is, above all, a medium and facilitator of exchange; but it also serves as a sign and measure of value, as well as providing a manner of setting aside and storing wealth for potential later uses. This third function of money forms the link between economic circulation and the libidinal economy insofar as it makes provision for the mechanism of delayed gratification.<sup>18</sup> But the capacity of money as a vehicle for the hoarding of wealth is also what invites the abuses of “capital” that Karl Marx would diagnose a half century after Fichte. Anticipating certain aspects of the critique of money articulated by Marx, Fichte seeks to truncate money’s multiple functions by eliminating its capacity to store wealth, insisting only on its exchange function and its role as a general equivalent or sign of value (492). This entails an absolute rejection of specie, of gold and silver as the substances that constitute international currency,

whose accumulation is the aim of mercantilist economic policy. This is where Fichte brings forward his most radical idea—an idea that, as we will see, closely links his monetary theory with that of Adam Müller: he denies the substantial value of gold and silver as monetary instruments and claims that the essence of money resides solely in its semiotic or symbolic function. Indeed, he goes so far as to claim that it is precisely the *least* valuable available substance that should be employed as the stuff of monetary currency.

Everything useful found at the surface of the state will constantly be applied for the use of the people . . . It is hence necessary that a lasting, never diminishing and never increasing representation of its [the state's] value, a sign of this value, constantly be present. The less useful this sign is in and of itself, the less innate value it has, the more appropriate it is as a *mere sign*; for everything that is useful belongs to the internal wealth of the nation and should be enjoyed by it, not made use of for any other purposes. (emphasis added)<sup>19</sup>

Fichte intertwines two very different arguments here, one economic, the other semiotic. In simple economic terms, what he demands is that his national currency have absolutely no use-value, but that its worth instead be made manifest entirely in exchange-value. The economic logic for this is simple enough: nothing of any usefulness or inherent value should be diverted from the productive capacity or the natural resources of the state to be used merely for the functional purpose of circulation. Fichte is arguing, in short, for the sole use of so-called “fiat” currencies, a money made of some substance like paper that merely represents, but does not embody, any concrete value. In semiotic terms, Fichte strips money of any substantial worth and attributes to it instead a purely symbolic function. “Money,” he asserts, “is in and of itself absolutely nothing; it only *represents* something due to the will of the state.”<sup>20</sup> Money, in other words, is nothing but an arbitrary sign that is invested with the authority of the state. How does the state imbue this sign with its authority? By making it the sole legal tender accepted for all state-certified transactions, such as the payment of taxes, fees, etc.<sup>21</sup>

To Fichte's contemporaries this monetary theory was heretical in both its economic and its semiotic dimensions. On the economic front, skepticism toward “fiat” or “ideal” currencies such as paper money was widespread in Europe. David Hume, for example, referred to paper currency as “counterfeit money,”<sup>22</sup> and even Adam Smith believed that paper currencies threatened to undermine “the commercial and moral fabric of European civilization.”<sup>23</sup> It is well known that in Part Two of *Faust* (lines 6037–6172), Goethe associated paper money with the work of the devil, thereby expressing the common belief of the period that fiat currencies represent a diabolical alchemy that generates value out of nothing.<sup>24</sup> Even on the level of practical experience, little at this time spoke in favor of an economic theory that defended fiat currency. John Law's unsuccessful experiment in France had not been forgotten, and during the French Revolution, of course, the Jacobins had introduced the notoriously unstable “assignats.” Shortly after the publication of *Der geschlossene Handelsstaat* Prussia itself would suffer the turmoil of the collapse, following the defeats at Jena and Auerstädt, of a paper currency introduced in 1806 to finance the war against Napoleon. Indeed, what people of the time commonly associated with paper currencies, especially with

those issued by the state (rather than by a bank of issue or by a merchant), was the cynical manipulation of the monetary system for the selfish profit of the government.<sup>25</sup> In this regard, then, Fichte's proposals were not likely to win many advocates. To be sure, as Michel Foucault has shown, the shift from substantialist to functionalist theories of money was representative of a larger transformation in the economic sphere that marks the discontinuity between the "Renaissance" and the "Classical" epistemes.<sup>26</sup> But opposition to this revolutionary development in monetary theory was pronounced both among the general populace and in intellectual circles, and in the early 1800s its representatives, such as Fichte, were regarded as theoretical outsiders.

In terms of its semiotic aspect Fichte's hypothesis was also destined to meet stiff resistance. According to accepted doctrine of the time, propounded in Germany above all in the semiotic theories of the Enlightenment philosophers Gottfried Wilhelm Leibniz, Christian Wolff, and Johann Heinrich Lambert, natural signification, where a firm, empirically comprehensible relationship exists between the signifier and the signified, is more reliable than arbitrary signification, where the signifier-signified connection is grounded solely in convention. Gold and silver coins were taken as veritable prototypes for the authenticity and immediate "truth" of natural signification. The value the metallic coin "represents" in its numerical stamp is underwritten by the value of the precious metal out of which it is minted. In an economy based on specie, monetary value is grounded in an iconic relationship between the symbolic value of the coin and the substance value of its metallic content. Indeed, substance is supposed to vouchsafe the nominal value of the coin, countering symbolic fluctuations with the stable content of the gold or silver itself. Fichte undercuts the very logic of this relationship, reminding us "that the value of these metals ultimately comes down to the universal agreement about their value."<sup>27</sup> In other words, for Fichte gold and silver are no less arbitrary signs of value than are paper, leather, wood, or any other substance: the general agreement about their value is itself nothing but a universally accepted convention. Viewed from this perspective, the introduction of a new national currency in Fichte's rational, autonomous state demands nothing more—but also nothing less—than a simple alteration of conventions and the implementation of legislative measures to assure the acceptance of the new monetary standard.

In real, pragmatic terms, although it flies in the face of common economic and semiotic assumptions, Fichte's proposal contains a potentially alluring amelioration of the monetary chaos that ruled throughout the German states at this time. It seems unimaginable to us today that at the time of Fichte's writing there were no fewer than seventy currencies accepted and in circulation in Prussia.<sup>28</sup> By 1870 this number had been reduced throughout the German territories to one tenth that number; but that still left seven competing currencies, which were distributed, moreover, by thirty-three different banks of issue.<sup>29</sup> European citizens of today complained of the confusion caused by the short-term simultaneous circulation of just two currencies, the Euro and their displaced national money, in the months of transition to the new European currency. By comparison, how much greater and more persistent must have been the confusion of currencies in Fichte's Prussia. Indeed, one can easily understand how the everyday act of simple monetary transactions brought home to citizens of the German prin-

cipalities in the most concrete way the burdens of political fragmentation. This points to a further motivation, beyond the demand of greater rationalization and simplicity, that drives Fichte's appeal for the introduction of a single unified national currency in his autonomous state: it guarantees the internal cohesion and community orientation of the citizens of that state itself. Let us recall the two expedients Novalis associated with the spirit of commerce: it infuses the world with dynamism and it fosters integration (see n. 9). These are exactly the two attributes Fichte hopes to secure for his closed commercial state based on the introduction of an inconvertible national currency: a stimulation of economic circulation within this strictly bounded commercial domain, and the integration of its citizens into a unified populace that identifies, via the monetary instrument arbitrarily instituted by state authority, both with this state itself and with the cohesive and autonomous community it constitutes. This is monetary nationalism pure and simple: the *ex nihilo* creation of a national community based on the privileged and exclusive use of a single inconvertible national currency.

Toward the end of his treatise Fichte explicitly lays out the nationalist aims of this monetary instrument and the autonomous commercial state it engenders.

It is clear that in such an autonomous nation, whose citizens live only among themselves and have extremely little contact with foreigners, who preserve their peculiar lifestyle, institutions, and customs by means of these regulations, who love with devotion their fatherland and everything related to their fatherland, a high degree of national pride and a keenly distinctive national character will soon emerge. It will become another, thoroughly different nation. This introduction of a national currency is its true creation.<sup>30</sup>

We could hardly find a more lucid expression of the monetary nationalism Fichte pursues in this work: by ensuring the autonomy of the nation and forcing its citizens to interact as a nationally segregated group, the introduction of an arbitrary national currency has the potential not merely to transform the nation, but actually to *institute* it *qua* nation. In 1800 when composing *Der geschlossene Handelsstaat*, Fichte does not (yet) identify any trait *inherent* to the Germans that could serve as the basis for their integration into a national unity. In the absence of such an innate national feature, nationalism must be procured by *inventing* a unifying symbol around which all Germans could rally: this symbol was a national currency.

More recently the German sociologist Niklas Luhmann has emphasized precisely this integrative property of money, arguing for an understanding of the monetary medium that stresses its symbolic, rather than its purely semiotic function. Accordingly, Luhmann conceives the system of monetary exchange in analogy to systems of communicative interchange.

Symbols thus are not signs. Money is also not a sign for something else, say, for some intrinsic value. Symbols are meaningful forms that make possible the unity of what is different. They *are* this unity, their external form is a representation of this unity, but not a sign for something else. In communicative interrelationships symbols function as media that make it possible for the sender (*alter*) and the receiver (*ego*) to strive for unity while still retaining their differences.<sup>31</sup>



It is hard to imagine a better description of what Fichte sought to accomplish with his conception of a fiat national currency presented in *Der geschlossene Handelsstaat*. The utopian aim of German politics in 1800 was nothing other than the achievement of a form of national unity that would respect the differences among those “German” territories and peoples who would amalgamate into the unified German national state. It is certainly no coincidence that before Fichte conceived German nationalism in terms of ethnolinguistic identity, he theorized it along the lines of the commercial transaction. Acts of commercial exchange constitute the veritable prototype for structural interactions in which difference—distinct goods or products—is dissolved into equality—the abstractly, even subjectively conceived “equal value” between two different commodities that makes their exchange possible. For Fichte money becomes the symbol for this process by which one accomplishes unity in, and in spite of, difference. His fiat national currency is intended to function precisely as a symbol of this national identity, an identity instituted by semiotic convention and state authority, not grounded in any intrinsic connection among the citizens of the state, such as race, language, ethnicity, or shared cultural traditions. Seven years prior to his *Reden an die deutsche Nation* (Speeches to the German Nation), which have become infamous as documents that defend a linguistically and culturally oriented theory of German nationhood based on the self-aggrandizing proposition that the Germans belong together in a national community because they constitute an originary, self-identical, and authentic *Urvolk*,<sup>32</sup> Fichte formulates a very different theory of German nationhood based on economic and monetary principles. There is, let me stress, nothing at all substantial, intrinsic, or “authentic” in the theory of monetary nationalism Fichte outlines in *Der geschlossene Handelsstaat*. On the contrary, its logic is inherently simple: money by fiat produces national community by fiat; and this fiat money, along with the circulation and symbolic exchanges it produces, forms the only necessary bond that joins the national populace into an integral commonwealth. This is a principally nondiscriminatory theory that includes in the national community all those who participate in its economic exchanges, regardless of race, religious creed, class, etc. From this central hypothesis follow all the other propositions Fichte articulates in this treatise. Above all, it explains his belief that this newly established monetary state would have to, and would have the absolute right to, assume the “natural” borders dictated to it by geography (*H*, 482; 502). For Fichte’s contemporaries this was certainly an unmistakable call for German national consolidation along geographically defined natural borders, with national identity established according to economic and monetary union.

Let us return to Luhmann briefly in order to try to understand the cohesive, integrative character of the monetary symbol, since this will be significant for our discussion of Müller’s theory of money as well. Luhmann is careful to insist on the original meaning and function of the *symbolon*.<sup>33</sup> A symbol is a unified substance or form that is divided or broken into separate pieces; these fragments are distributed among a group of people who form a community or a secret society, and fitting the pieces of the *symbolon* back together at its unique ruptures makes it possible to ascertain that its bearers are legitimate members of this community. The symbol, in short, serves as a purely conventional and arbitrary means of identification that represents the communal bond among a diverse

group of individuals who, lacking such a sign, would not recognize each other as members of the same group. Symbols, in other words, must stand in when no intrinsic criterion such as language, ethnicity, religion, or the like guarantees identity and shared community. The symbol not only represents the integrity of the group, but also serves as the concrete medium that fuses these individuals into a community identifiable as such, despite other differences. Similarly, those not in possession of the symbol are *excluded* from participation in this community and rendered recognizable as “Others.” These integrative and segregative functions are precisely the attributes Fichte associates with the national currency around which he structures his closed commercial state. Indeed, fiat currency is the “rational” principle upon which this state, this inherently *national* (but not *ethnic*) state, is erected.<sup>34</sup>

What remains constant in the nationalist theories Fichte propounds throughout his life is the fact that they are conceived in terms of structures of mediation. What changes over the course of the first decade of the nineteenth century, in response in part to pressing political exigencies, is the *currency* on which he predicates the integration of the Germans into a seamless national community. If in *Der geschlossene Handelsstaat* it is money that assumes this integrative function, in the *Reden an die deutsche Nation* national education, or *Bildung*, plays an analogous role, operating as the general equivalent of a German national community. Whereas in the earlier treatise money serves as the glue that binds the German people, as consumers and symbol-users, into an autonomous and self-identical community, in the later work *Bildung* is charged with creating the common basis of German national identity. However, according to Fichte’s argument, the condition of possibility of this *Bildung* is the authenticity of the Germans’ shared language: this, he claims, is what makes them more receptive to *Bildung* than any other people (*Reden*, 311). Thus Fichte’s conception of *Bildung* already bears an ethno-linguistic tinge that fundamentally redefines his earlier conception of German monetary nationalism.

We can throw this transformation into relief by contrasting the ethnologically nationalistic conception of *Bildung* in the *Reden an die deutsche Nation* with the much more international and general theory of knowledge Fichte advocates in *Der geschlossene Handelsstaat*. In both instances knowledge functions as a kind of currency; but in the earlier text it is knowledge in general that plays this role, and as a *universal* currency it underwrites a curious counter-economy that resists and undercuts the autocratic demand for the absolute economic closure of the nation state. Not only are scholars and artists the only citizens of Fichte’s autonomous state allowed to travel outside its boundaries, and who hence require access to international monetary instruments (*H*, 506), but this nation itself must seek to attract and naturalize into its citizenry as many foreign scientists, engineers, industrialists, and artists of international repute as possible (*H*, 500). What Fichte articulates here might be called a mercantilist theory of knowledge or scholarship: for instead of amassing gold and silver as the measure of state wealth, Fichte’s autonomous commercial state attempts to colonize the domains of thought, knowledge, and information so as to ensure its political and economic hegemony. For the Fichte of the *Handelsstaat*, at least, the balloon of the closed national economy is constantly punctured by the value of practical and theoretic-

cal knowledge, which operates as the single valid international currency. “There is nothing except knowledge [*Wissenschaft*],” Fichte writes, “that so clearly dissolves all the differences of environment and of nations, and that purely and simply belongs to the human being as such, and not to the citizen. By means of knowledge human beings are, and should be, constantly interconnected, even after their segregation into distinct nations is completed in all other respects.”<sup>35</sup> Only knowledge is not a strictly national possession, but instead a universal human attribute that, once the world is divided up into commercially monadic nation states, will transcend these national boundaries and join human beings together *as* human beings, rather than as autonomous national citizens. What transpires in Fichte’s thinking between the *Handelsstaat* and the *Reden* is that the initially *international* character of knowledge articulated in *Der geschlossene Handelsstaat* is lent a more narrow ethnic-nationalist cast in the *Reden an die deutsche Nation* when it undergoes chrysalis into the specifically German notion of *Bildung*.

In order to understand how deeply rooted Fichte’s monetary nationalism is with mainstream German Romantic thought, it is important to recognize that its theoretical make-up is generally consistent with the transcendental idealism of Fichte’s philosophical position. On the most general level, by insisting that all money is a mere conventional sign of value (*H*, 432, 487), Fichte fundamentally desubstantializes and idealizes it. But beyond this, the relationship between money and commodities mirrors the dialectical dynamic of the *Ich* and the *Nicht-Ich*, the I and the non-I, in Fichte’s transcendental system: money, as a pure ideality, interacts with commodities as the objectively real, and in this interaction money itself is “realized.” Thus Fichte writes of his national currency:

It [the national currency] relates immediately to commodities and it is realized in them; it is hence true, immediate, exclusive money. The mere expression: “something is realized in money” already contains the entire false system. Nothing can be realized in money, for money itself is not something real. The commodity is the true reality, and money is realized in it.<sup>36</sup>

Only in his artificial and inherently valueless national currency does money finally arrive at its essence as a priori ideality; this ideal money only takes on reality in its dialectical interface with commodities as the objectively real. Indeed, we might go so far as to assert that money constitutes commodities *qua* commodities by *acting* upon them in such a way that causes them to enter into circulation; and commodities, *mutatis mutandis*, constitute money by functioning as the “body,” the material substance or phenomenological residue in which its ideality makes itself empirically manifest. To be sure, Fichte’s national currency, as *symbolon*, does require representation in some material form; but he demands that it be constituted of a *unique* substance that sets it apart from all other commodities (*H*, 485–86). Although he claims to know exactly what substance is ideally suited to function as the monetary medium, Fichte refuses to divulge what it is, claiming that this must remain a state secret and hence cannot be revealed in print (*H*, 437, 487).

Perhaps we can best understand the coherence of Fichte’s transcendental system of knowledge in the *Wissenschaftslehre* (Science of knowledge) and the

autonomous economic system proposed in *Der geschlossene Handelsstaat* by viewing them through the lens of Luhmann's systems theory. Both Fichte's transcendental and economic programs qualify, above all, as closed, self-maintaining, self-producing autopoietic systems in Luhmann's sense. In *Ueber den Begriff der Wissenschaftslehre* (On the Concept of the Science of Knowledge), the summary of his transcendental system written in 1794, Fichte maintains that the entirety of his science of knowledge must be based on a single grounding principle whose absolute certainty cannot be questioned. All the other propositions of this "science" are linked to this founding principle and draw their own validity from it. Of this anchoring principle he writes:

Hence at least one proposition would have to be true, a proposition that would bestow its truthfulness on all the others; so that if, and to the extent that, this one proposition is true, a second one would be true as well, and if, and to the extent that, this second proposition is true, a third would also have to be true, etc. Thereby several propositions, which perhaps would even be quite distinct, would have one truth in common and would constitute one and the same science by the very fact that they *all* share this truth—and that it is *the same* truth.<sup>37</sup>

We know, of course, what constitutes the fundamental "truth" of the *Wissenschaftslehre*: it is the proposition  $I = I$  or  $I \text{ am } I$ .<sup>38</sup> Fichte claims that the transcendental ego posits itself and hence that this principle of identity has absolute validity in and of itself. What this means, simply, is that there is no "origin" or ground beyond this ego that might serve as the basis of its constitution, for if this were the case, what grounds the ego from without, not the ego itself, could lay claim to being the absolute transcendental principle. The self-grounding or a priori nature of the ego is thus fundamental to the structure of Fichte's system: it generates the transcendental system of knowledge as a *closed* but *stable* conglomerate of valid interrelationships among the logical propositions of knowledge.<sup>39</sup> This structural constitution is exactly replicated in the closed economic system of Fichte's *Der geschlossene Handelsstaat*; but here the grounding transcendental principle is not  $I = I$ , but instead,  $\text{money} = \text{money}$ , or  $\text{money is money}$ . Or, to say it another way:  $\text{money is valid because it is money}$ . And *because* this monetary principle is valid, all the economic exchanges within this system are valid and constitute a closed, internally coherent system. The relevance of this analogy was recognized by Novalis, one of the most powerful and reflective readers of Fichte. In his notebooks Novalis records under the heading "philosophy" the following entry:

The S[cience of] K[nowledge] or pure phil[osophy] is the relational schema of the s[ciences] as such. It is produced from the *idea* of using, instead of actual, identifiable, individ[ual] things, universal things that can be substituted for every thing (vid. concept| o[f] *money*), or of using such words and of attempting to carry out the usual operations by means of them, as simple, isolated, *unadulterated signs* and materials—which thereby appear purely in all their consequence and interconnection . . . [as] gener[ally] *valid* propositions.<sup>40</sup>

If, according to Novalis, the very system of the *Wissenschaftslehre* is predicated on an abstraction from real things and a reliance on a universal general equivalent—a kind of "money of the mind," to allude to Marx's famous phrase<sup>41</sup>—then

the same is true for the valid transactions mediated by the purely idealized currency of Fichte's autonomous commercial state.<sup>42</sup>

Gold and silver coins could never perform the function of a grounding principle in Fichte's sense because they refer beyond themselves to a system of value dependent on the market in precious metals. Fichte's fiat money, by contrast, posits itself, much in the same way as does his transcendental ego: its validity as money resides solely in the arbitrary declaration that it will function as such, as well as in the mediating role it plays within the closed economic system itself. Indeed, this fiat money as founding principle produces and guarantees the autonomy of the closed commercial state in the first place. Fichte thus is one of the first to theorize in detail an idea of money in its modern systems-theoretical conception as a form of self-reference. "Money is instituted self-referentiality," Luhmann writes in *Die Wirtschaft der Gesellschaft* (The Economics of Society); "Money has no 'innate value,' it exhausts its meaning in its reference to the system that makes possible and conditions the use of money."<sup>43</sup> We observe, then, a curious homology between the system of transcendental knowledge propounded in the *Wissenschaftslehre* and the economic system Fichte outlines in *Der geschlossene Handelsstaat*. Indeed, given Fichte's insistence on the practical implementation of his theoretical philosophy, we are justified in interpreting this economic program as nothing other than the pragmatic, political extension of his transcendental system of knowledge.<sup>44</sup>

If Fichte were the only thinker among the Romantics to formulate a substantive theory of monetary nationalism, this might strike us as an anomaly or as a mere curiosity. But the fact that Adam Müller develops a conception that in many respects resembles Fichte's ideas indicates that monetary nationalism represents a more prominent theoretical strain among the Romantics than has generally been acknowledged. Indeed, Müller will turn the screw of Fichte's idealized, transcendentalist money one turn further, thereby pointing ahead to the purely ethereal money of modern electronic funds transfers, by insisting that the essence of money resides solely in its semiotic function and that it hence requires no concrete substance whatsoever.

Now, we may be surprised to discover that Fichte and Müller express such compatible economic theories, for with regard to their political points of departure they represent diametrically opposite poles of German Romantic thought, Fichte beginning as a radical republican who defends the principles of the French Revolution,<sup>45</sup> Müller as the "political Romantic," to apply Carl Schmitt's phrase,<sup>46</sup> who advocates a return to the medieval feudal order. The intellectual distance between Fichte and Müller seems to be confirmed by the irony that Müller composed a scathing critique of Fichte's *Der geschlossene Handelsstaat*, which he published in the 1801 issue of the *Neue Berlinische Monatsschrift*. In this review Müller attacks Fichte as a hopeless amateur in matters of political economy and the science of the state, someone whose ignorance is compounded by the arrogance with which he asserts that his ideas represent the only rational state theory.<sup>47</sup> Following Kant and Novalis in identifying commerce and exchange as the pathway to peaceful coexistence among human beings,<sup>48</sup> Müller protests in particular against the severe limitations Fichte places on trade, the starkly interventionist nature of his state, and against the coercive and authoritarian element in

Fichte's theory. For those familiar with the rabidly anti-Smithian character of Müller's later economic theories, it will come as a surprise to find that in this early review he takes sides with Smith against Fichte, going so far as to celebrate Smith as "the great founder of political economy."<sup>49</sup> A decade later, when writing his *Versuche einer neuen Theorie des Geldes*, Müller would sing an entirely different tune, jettisoning *in toto* the principles of Smith's laissez-faire market and his capital-oriented economic policies. Indeed, Müller's later economic doctrines draw much of their energy from their opposition to the economic liberalism of Adam Smith, to the extent that many of Müller's economic policies are formulated in direct contradistinction to Smith's principles. For example, where Smith defends the division of labor, Müller opposes it (*TG*, 35); while Smith argues for the autonomy of the market and defends laissez-faire economic practices, Müller, despite his diatribe against precisely this aspect of Fichte's theory, takes an interventionist stance giving absolute authority over economic matters to the state (*TG*, 7–10); Smith valorizes competition as productive and cost-effective, whereas Müller vilifies it as the cause of human strife and disharmony (*TG*, 7); Smith views private property as the holy shrine of sound economic theory and sees the protection of property rights as the primary purpose of the state, while Müller sees private property as a demonic institution that fuels human egoism and undermines the communitarianism necessary for any well functioning state (*TG*, 7, 29); finally, Smith is a confirmed metalist who argues the importance of specie as the primary monetary form, whereas Müller is a monetary nominalist, a staunch advocate of paper money (*TG*, 144, 226). This final point constitutes the primary link between Müller's later monetary theory and the conception of a national currency formulated by Fichte. Moreover, for Müller as well, the invention of a fiat currency ultimately serves the end of creating a closed, integral community or a unified German national state.

Müller's unabashed advocacy of fiat money, of paper currencies as pure signs of value, is undoubtedly both his most controversial and his most forward-looking economic idea. While Müller already formulated a rudimentary form of this principle in his *Elemente der Staatskunst* (Elements of Statecraft), first published in 1809, his full-blown theory of money only appeared in 1816 under the title *Versuche einer neuen Theorie des Geldes*. However, the manuscript for this work was completed already between 1810 and 1811, in response to the furious debate that raged in European economic circles about the precarious depreciation of the London bank notes.<sup>50</sup> In this treatise Müller comes down squarely on the side of credit money. He explicitly argues, as did Fichte, against the notion that paper money is a mere second-order representation of metallic money; indeed, he reverses this relationship, giving priority to the "word," to the stamp that makes metal into minted coin: "what by means of a stamp, by means of a kind of credit, first elevates metal to the status of money, and which in the further development of civil society is represented in bank notes—is the principal thing."<sup>51</sup> Legal tender, in other words, is constituted not by any concrete value, by the worth of the precious metals from which it is made, but by the "credit"—the faith, belief, and confidence—placed in it and in the state that issues it and secures its value. For Müller this credence constitutes the essence of money, and hence he views paper currencies as the logical extension and natural culmination of the monetary form—

the pure expression, as legal tender, of this faith and confidence in the state that issues the currency. “The true essence of paper money,” he writes in the *Theorie des Geldes*, “namely an ideal money, is already present to the extent that there are coins, and it is the indispensable condition of possibility for a coin as such.”<sup>52</sup> There is no monetary instrument if one strips away this ideal element, this symbol or sign that expresses a communal accord, a mutual promise or obligation. Thus for Müller money is nothing other than the representative, the symbol, of a primordial human sociability, a solicitous co-dependence among human beings.<sup>53</sup>

Consistent with this valorization of fiat currencies is the fact that Müller is a fanatical circulationist who believes the significance of money lies in its ability to advance and intensify commercial exchange.<sup>54</sup> This stress on money as the stimulus to circulation follows directly from his belief that monetary ties symbolize the interpersonal bonds that join human beings into a community. Early in the *Theorie des Geldes* he thus claims:

In money, in a universally valid commodity that is accepted by everyone, the entire personality, the most personal bond that ties together laborers and consumers, makes itself manifest . . . [T]he bond of manufacturing and of the market [is] actually a personal bond, just as money, which can only be conceived in circulation, passing from one person to another and mediating between two people, can never be conceived as an object of absolute private property.<sup>55</sup>

Müller opposes the idea—most vociferously propounded by Marx<sup>56</sup>—that monetary economies are wholly impersonal and hence disrupt and alienate the intersubjective bonds among individuals. Whereas Marx, for example, attacks money as “the fraternalization of impossibilities” and as a power that “forces contradictions to embrace each other,”<sup>57</sup> Müller praises money for precisely these same integrative and binding powers. The primary difference here rests in the evaluation of money’s role as mediator. Whereas Marx is suspicious of all forms of mediation as symptoms of alienation, Müller—and, for that matter, Fichte as well—glorifies mediation as the basis of a genuine interhuman bond. For Müller, money manifests precisely the interpersonal communion that joins two individuals in exchange, the mutual obligation they enter into by making a commitment of compensation with equal value. This explains why in both his economic and his political theories Müller idealizes the feudal relationship between lord and serf, since for him this relationship is marked by fealty, by mutual interdependence and obligation. As the serf commits his labor and energy to the lord, the lord offers in return protection and social security to the serf (see *TG*, 145). Conceived as pure sign, as the oath or promise, guaranteed by the state, that passes between two individuals, money becomes the perfect symbol of a wholly personal bond that fuses laborer and consumer, seller and buyer, into an integral community. The idealized money Müller defends thus has no value in itself, nor need it have any intrinsic value, since its worth derives from its function as a mediator, from the community bond it forges between individuals. Müller’s definition of money as pure sign is strategically calculated to support this system of perpetual interhuman circulation: “in and of itself,” he maintains, “money, the most marketable commodity as such, has no value and it is absolutely nothing without the traffic between people and things; . . . but conversely there is also no traffic be-

tween people and things without this third, higher mediating entity, without money.”<sup>58</sup> As the “higher third term,” money is nothing but the most tangible manifestation of this reciprocal process: it is mediation embodied—embodied not in precious metals or in paper, but in the mutually accepted *sign*. The monetary sign, as sign, points to the interactive process of communication and stands in for the “credit” or “credibility,” the interpersonal obligation, that Müller views as the condition of possibility for all exchange and all community integrity.

Let us turn briefly to the nationalist aspect of this monetary theory. This is summarized best in a passage from Müller’s *Elemente der Staatskunst* in which he identifies individuals with the money of the national state.

That all individuals in the state should assume the character of money, or increasingly become true money; that their true value should be elevated in exchange, in commercial intercourse, in social life; that their . . . *civic character* should be enhanced: all this should be the great and inherently national aim of every state economist. —The more every single individual in the state, be it person or thing, enters into relationships with all others—the more it makes itself, in short, into money—the more concentrated and vital the state will become, the more fluidly it will move, the greater the energy it will be able to generate, the more it will be able to produce.<sup>59</sup>

What we call circulation in the economic realm manifests itself as sociability in the interpersonal domain of the community. Indeed, the circulatory power of monetary signs proves to be the very model and basis of this social interaction: it defines, it *creates* the national state as a solidarity fused by the “credit” and obligation of monetary exchange. As the institution that founds the confidence and faith in the monetary instrument by assigning it its stamp, the state forms the nucleus of this dynamic system of never-ending interaction, exchange, and mutual obligation. Indeed, Müller, similar to Fichte, objected to external trade or exchanges that extend beyond the confines of the individual state precisely because he believed such commercial interactions threatened to undermine the alliance that constitutes the national community.<sup>60</sup> Much like Fichte, Müller blames metallic money as a universal international currency for the breaching of national bonds in favor of abstract and more distant connections. In an essay on paper money, “Vom Papiergelde,” published in 1812, Müller voices this critique in the most explicit terms:

[S]ince those who possessed metals, precisely because of the universal validity of their possession, acquired the same position and power throughout all of Europe, the preference for what is nearer, for the neighborly, for the fatherland, and for all that is national increasingly disappeared, which allowed the superficial notions of the universal state, of humanity, cosmopolitanism, philanthropy to take hold everywhere.<sup>61</sup>

Metallic coin is not merely the symptom of an alienation from the more proximate ties of immediate community and nationhood, it is held up as the *cause* of this alienation, paving the way for “abstract” notions such as “humanity” and “cosmopolitanism.” Paper money, by contrast, appears as an antidote that will



return human beings to the more immediate ties of national community. In the very same essay Müller hence maintains:

[A]ll neighborly, national transactions must be settled with the representative of personal services, with paper money. The power of this paper resides solely in the intimacy of this neighborly and national union and in the credit placed in it.<sup>62</sup>

Paper money, as pure symbolic abstraction, represents nothing but the neighborly bonds of community, the faith and trust of immediate interpersonal obligation. As for Fichte, for Müller as well, paper money becomes the symbol of national unity.

We can now better understand what I meant when I said that Müller takes the de-substantialization of money even further than does Fichte: If for Fichte the national bonds created by money still rely on the designation of some arbitrary and self-identical substance as the monetary currency, the “symbol” by which the citizens of the closed commercial state identify their membership in this exclusive community, for Müller the sign of this identity is localized in the entirely intangible relationships spawned by the state-sponsored monetary sign. In short, money has become abstract *Wechselwirkung*, reciprocity or reciprocal interaction as such. In this sense the concept of money promulgated by Müller collapses into a single dialectical interchange the two characteristics Novalis associated with the spirit of commerce: circulation and integration. The circulation stimulated by the purely ideal monetary sign simultaneously and, as it were, necessarily forges the links that bind the participants in exchange into an integral national community. The very act of exchange *presupposes* absolute “credit”—faith, trust, and confidence—among those who enter into a commercial contract; but it also creates and enhances this credit with each successful act of “commerce.” The state underwrites this community grounded in mutual faith by supplying its own trustworthiness and authority as the grain of sand that will eventually produce the pearl of national reciprocity.

Let me, by way of conclusion, explore two broader historical questions connected to the monetary nationalism of German Romanticism. The first relates to the almost uncanny historical constellation of Fichte’s and Müller’s nationalist theories themselves. If we expand our scope beyond the confines of their economic programs, we are struck by the fact that both undergo a parallel shift from a focus on monetary nationalism to a concentration on linguistic and ethno-cultural nationalism. We have already briefly noted this transformation in Fichte from the *Geschlossener Handelsstaat* to the *Reden an die deutsche Nation*. What is curious is that Müller passes through a similar transfiguration. I am thinking of the arguments he makes in his *Zwölf Reden über die Beredsamkeit und deren Verfall in Deutschland* (Twelve Lectures on Eloquence and its Decline in Germany), which were presented in Vienna in 1812, a year or so after he had finished the manuscript of his *Theorie des Geldes*. We should note at the outset that the fluidity with which both Fichte and Müller move from a nationalism based on money to one based on language confirms the hypothesis that, in German Romanticism, as in eighteenth-century German thought in general, there exists a certain homology between the domains of economics and linguistics, between

money and language.<sup>63</sup> At any rate, in these lectures Müller attacks the German reliance on the written word, comparing it to the mercantilist dependence on a monetary unit based on specie,<sup>64</sup> and he argues instead for a concept of eloquence located in the living exchange of verbal speech and active dialogue. Here verbal exchange embodies the same reciprocity that money represented in Müller's economic and political theory. Moreover, Müller's *Reden über die Beredsamkeit* culminate in a glorification of the German language, which, in his view, is peculiarly suited to an eloquence more elevated than what can be achieved in French or English;<sup>65</sup> and Müller goes on to assert that German is inhabited by an endemic spirit (*Geist*) unknown to other languages.<sup>66</sup> As was true for Fichte, this greater authenticity of the German language reflects positively on the speakers of German, because, as Müller claims: "without independence, without the immediacy of intellectual energy, [it is impossible] . . . to speak this [the German] language well."<sup>67</sup> German national identity is generated as a by-product of German linguistic identity, rather than being produced by the design and conventional device of an idealized monetary instrument.

Finally, let me speculate for a moment about the implications of this parallel redefinition of national identity by Fichte and Müller in the larger framework of the history of German nationalism. We recognize, first of all, that for these two thinkers, at least, monetary nationalism presented itself as a possibility *prior* to their turn to a linguistically and ethnically based form of nationalism. One might even be tempted to hypothesize that ethnolinguistic nationalism only came to the forefront among the Romantics after the theory of monetary nationalism proved impossible to put into practice. Whereas a unitary and nationally binding monetary instrument had first to be *invented, implemented*, and, above all, *accepted* by the wider German populace, ethnolinguistic identity—with a little bit of tweaking, of course, given differences in dialect—could be asserted as an *a priori* given. To be sure, monetary and ethnolinguistic forms of nationalism are not mutually exclusive positions, neither for the Romantics nor for later generations. What we witness in Fichte and Müller can best be described as a dramatic shift in weight, against the historical backdrop of the war against Napoleon and the exaggerated nationalism it fostered, from a primarily economic to a linguistically and ethnologically defined theory of nationalism. It is also important to recognize, moreover, that monetary and ethnolinguistic nationalism emerge as the two primary avenues of German nationalism at a time when *political* unification, given the realities of territorial, religious, and ideological fragmentation, seems to be the least likely alternative for German national identity. But if we step back even further and take into our purview more recent German history, we recognize a kind of elliptical trajectory in the evolution of German nationalism. Receiving one of its first elaborate theorizations as monetary nationalism in Romantic economic theory, it quickly assumes an ethnolinguistic focus. Over the course of the nineteenth century this impulse builds into a full-blown culturally based conception of German nationalism, which ultimately gives way at the end of the nineteenth and beginning of the twentieth century to the notion of the racial state, the conception of German national identity along genetic-racial lines.<sup>68</sup> When German nationalism is reconfigured in the wake of the demonic form racial nationalism assumed in the Third Reich, it revives the monetary nationalism

that was generated by economic Romanticism prior to the Romantics' emphasis on ethnolinguistic nationalistic theories: it emerges not as political nationalism, since Germany is once again territorially and ideologically divided, but rather as the monetary nationalism of the Federal Republic. Ironically, postwar D-mark nationalism represents a kind of modern realization of Fichte's and Müller's theories of monetary nationhood, which had existed only latently, as it were, effectively suppressed by ethnolinguistic nationalism, throughout the nineteenth and early-twentieth centuries. In what direction will German national identity go now that postwar D-mark nationalism is being put to rest? Will the introduction of the Euro foster a new international identity among the Germans? These are questions best answered by political prophets, not by literary and cultural historians.

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NOTES

1. Wolfgang Mommsen, *Nation und Geschichte* (Munich: Piper, 1990), 62.
2. Jürgen Habermas, "Der D-Mark Nationalismus," *Die Zeit*, No. 14 (30 March 1990): 62–63; translated as "Yet Again German Identity—A Unified Nation of Angry DM-Burghers?" *New German Critique* 52 (Winter 1991): 89–90.
3. Habermas, "Yet Again German Identity," 100.
4. See Jürgen Habermas, *Staatsbürgerschaft und nationale Identität: Überlegungen zur europäischen Zukunft* (St. Gallen: Erker, 1991), 19.
5. Johann Gottlieb Fichte, *Der geschlossene Handelsstaat, Sämtliche Werke*, ed. Immanuel Hermann Fichte, 8 vols. (1845–46; Berlin: De Gruyter, 1971), 3: 387–513. Henceforth cited as *H*.
6. Adam Müller, *Versuche einer neuen Theorie des Geldes*, ed. Helene Lieser (1816; Jena: Gustav Fischer, 1922). Henceforth cited as *TG*.
7. F. A. Hayek, *Monetary Nationalism and International Stability* (1937; New York: August M. Kelley, 1971).
8. Immanuel Kant, *Zum ewigen Frieden: Ein politischer Entwurf, Theorie-Werkausgabe*, ed. Wilhelm Weischedel, 12 vols. (Frankfurt am Main: Suhrkamp, 1968), 11: 221. In more recent times this same argument has been made by Georg Simmel in his *Philosophie des Geldes*, eds. David P. Frisby and Klaus Christian Köhnke, vol. 6 of the *Simmel Gesamtausgabe*, ed. Otthein Rammstedt (Frankfurt am Main: Suhrkamp, 1984), 85–86.
9. Novalis, *Schriften*, ed. Richard Samuel, 3rd ed., 5 vols. (Stuttgart: Kohlhammer, 1983), 3: 464. "Der Handelsgeist ist der Geist der Welt. Er ist der großartige Geist schlechthin. Er setzt alles in Bewegung und verbindet alles. Er weckt Länder und Städte—Nationen und Kunstwerke. Er ist der Geist der Kultur—der Vervollkommnung des Menschengeschlechts. Der historische Handelsgeist—der sklavisch sich nach den gegebenen Bedürfnissen—nach den Umständen der Zeit und des Ort [sic] richtet—ist nur ein Bastard des ächten, schaffenden Handelsgeistes." Throughout this essay translations from the German are my own.
10. Fichte, Review of Kant's *Zum ewigen Frieden*, *Sämtliche Werke*, ed. Immanuel Hermann Fichte, 8 vols. (1845–46; Berlin: De Gruyter, 1971), 8: 435. "[D]ie Güter in unseren Staaten sind noch bei weitem nicht alle benutzt und vertheilt, und es giebt noch so vieles zu begehren und zu occupiren, und endlich, wenn auch zu Hause alles aufgezehrt seyn sollte, eröffnet die Unterdrückung fremder Völker und Welttheile im Handel eine stets fließende, ergiebige Hilfsquelle."
11. See, for example, Werner Krause, "Fichtes ökonomische Anschauungen im Geschlossenen Handelsstaat," *Wissen und Gewissen: Beiträge zum 200. Geburtstag Johann Gottlieb Fichtes 1762–1814*, ed. Manfred Buhr (Berlin: Akademie, 1962), 232–33; Joachim Streisand, "Fichte und die Geschichte der deutschen Nation," *Wissen und Gewissen*, 82.

12. On the utopian socialist dimensions of *Der geschlossene Handelsstaat* see, for example, Frederick C. Beiser, *Enlightenment, Revolution, and Romanticism: The Genesis of Modern German Political Thought, 1790–1800* (Cambridge: Harvard Univ. Press, 1992), 59; Ernst Bloch, “Fichtes geschlossener Handelsstaat oder Produktion und Tausch nach Vernunftrecht,” *Das Prinzip Hoffnung* (1959; Frankfurt am Main: Suhrkamp, 1973), 642; 647; Hans Kohn, “The Paradox of Fichte’s Nationalism,” *Journal of the History of Ideas* 10 (1949): 331; Hans Reiss, *Politisches Denken in der deutschen Romantik* (Berne: Francke, 1966), 22.

13. See Zwi Batscha, *Gesellschaft und Staat in der politischen Philosophie Fichtes* (Frankfurt am Main: Europäische Verlagsanstalt, 1970), 176.

14. Bloch, “Fichtes geschlossener Handelsstaat,” 644.

15. Andreas Verzar, *Das autonome Subjekt und der Vernunftstaat: Eine systematisch-historische Untersuchung zu Fichtes Geschlossenem Handelsstaat von 1800* (Bonn: Bouvier, 1979), 95.

16. Joachim Streisand, “Fichte und die Geschichte der deutschen Nation,” 81–82.

17. See C[harles] E. Vaughan, *From Burke to Mazzani*, vol. 2 of *Studies in the History of Political Philosophy Before and After Rousseau* (New York: Russell & Russell, 1960), 118.

18. On this connection of money and deferred gratification see Ernest Bornemann, *Psychoanalyse des Geldes: Eine kritische Untersuchung psychoanalytischer Geldtheorien* (Frankfurt am Main: Suhrkamp, 1977), 432.

19. *H*, 432–3. “Alles auf der Oberfläche des Staates befindliche Brauchbare wird immerfort für den Gebrauch des Volkes in Anspruch genommen . . . Es ist sonach nöthig, dass immer eine dauernde, nicht zu verminderte oder zu vermehrende Repräsentation seines [des Staates] ganzen Werthes, ein Zeichen desselben vorhanden sey. Je unbrauchbarer dieses Zeichen an und für sich selbst ist, je weniger inneren Werth es hat, desto schicklicher ist es *zum blossen Zeichen*; denn alles Brauchbare gehört zum inneren Reichthume der Nation, und soll von ihr genossen, keinesweges aber für andere Zwecke verwendet werden.”

20. *H*, 434. “Geld ist an und für sich selbst gar nichts; nur durch den Willen des Staates *repräsentirt* es etwas.”

21. *H*, 433. A similar position has been assumed recently by the economist Randall L. Wray, who argues for a strict state theory of money in which the value of a monetary instrument is grounded in its acceptance by the state for the payment of taxes; see his “Modern Money,” *What is Money?*, ed. John Smithin, Routledge International Studies in Money and Banking, 6 (London: Routledge, 2000), 49; 58.

22. David Hume, “Of Money,” *The Philosophical Works*, 4 vols. (Boston: Little, Brown, and Co., 1854), 3: 311.

23. Quoted in Francis W. Hirst, *The Paper Moneys of Europe: Their Moral and Economic Significance* (Boston: Houghton Mifflin, 1922), 26.

24. For an analysis of this scene and the connection of monetary signs with a new mode of symbolization in *Faust*, see the chapter “Language and Property: The Economics of Translation in Goethe’s *Faust*” in Marc Shell, *Money, Language, and Thought: Literary and Philosophical Economics from the Medieval to the Modern Era* (Berkeley: Univ. of California Press, 1982), 84–130.

25. See in this regard David Glasner, “An Evolutionary Theory of the State Monopoly Over Money,” *Money and the Nation State: The Financial Revolution, Government and the World Monetary System*, eds. Kevin Dowd and Richard H. Timberlake, Jr. (New Brunswick: Transaction, 1998), 21.

26. See the chapter entitled “Exchanging” in Michel Foucault, *The Order of Things: An Archaeology of the Human Sciences* (New York: Vintage, 1972), 166–214, esp. 174–81.

27. *H*, 455. “dass der Werth dieser Metalle lediglich auf der allgemeinen Uebereinstimmung über ihren Werth beruhe.”

28. Werner Krause, “Fichtes ökonomische Anschauungen im *Geschlossenen Handelsstaat*,” 237.

29. Theodore S. Hamerow, *Restoration, Revolution, Reaction: Economics and Politics in Germany, 1815–1871* (Princeton: Princeton Univ. Press, 1958), 253.

30. *H*, 509. “Es ist klar, dass unter einer so geschlossenen Nation, deren Mitglieder nur unter einander selbst, und äusserst wenig mit Fremden leben, die ihre besondere Lebensart, Einrichtungen und Sitten durch jene Maassregeln erhält, die ihr Vaterland und alles Vaterländische mit Anhänglichkeit liebt, sehr bald ein hoher Grad der Nationalehre, und ein scharf bestimmter Nationalcharakter entstehen werde. Sie wird eine andere, durchaus neue Nation. Jene Einführung des Landesgeldes ist ihre wahre Schöpfung.”

31. Niklas Luhmann, *Die Wirtschaft der Gesellschaft*, 2nd ed. (Frankfurt am Main: Suhrkamp, 1996), 257.

32. Fichte, *Reden an die deutsche Nation, Sämtliche Werke*, 7: 313–15; 460. Henceforth cited as *Reden*.

33. Luhmann, *Die Wirtschaft der Gesellschaft*, 257.

34. Luhmann is not the sole, just the most recent thinker to articulate this conception of money as a communitarian bond. In *Verwandtschaft, Gott und Geld: Zur Organisation archaischer, ägyptischer und antiker Gesellschaft* (Frankfurt am Main: Campus, 1982), 98; 101, Hartmut Apel makes a similar argument for the historically specific situation of ancient Greece; Wilhelm Gerloff, *Geld und Gesellschaft: Versuch einer gesellschaftlichen Theorie des Geldes* (Frankfurt am Main: Klostermann, 1952), 14; 21, makes the case more generally for money as a means of social communication. Orienting himself around a systems-theoretical standpoint, Klaus Heinemann, *Grundzüge einer Soziologie des Geldes* (Stuttgart: Enke, 1969), 46, develops the semiotic implications of economic exchange as the integration of the individual into a network of signs—a network in which, one should add, the monetary sign functions as the central organizing super-sign.

35. *H*, 512. “Es gibt nichts, das allen Unterschied der Lage und der Völker rein aufhebe, und bloss und lediglich dem Menschen, als solchem, nicht aber dem Bürger angehöre, ausser der Wissenschaft. Durch diese, aber auch nur durch sie, werden und sollen die Menschen fortdauernd zusammenhängen, nachdem für alles übrige ihre Absonderung in Völker vollendet ist.”

36. *H*, 492. “Es [Das Landesgeld] bezieht sich unmittelbar auf Waare, und wird nur in dieser realisirt; es ist sonach wahres, unmittelbares, einziges Geld. In dem blossen Ausdrucke: ‘etwas in Gelde realisiren’ liegt schon das ganze falsche System. In Gelde lässt sich nichts realisiren, denn das Geld selbst ist nichts reelles. Die Waare ist die wahre Realität, und in ihr wird das Geld realisirt.”

37. Fichte, *Ueber den Begriff der Wissenschaftslehre oder der sogenannten Philosophie, Sämtliche Werke*, 1: 40–41. “Mithin müsste wenigstens Ein Satz gewiss seyn, der etwa den übrigen seine Gewissheit mittheilte; so dass, wenn, und inwiefern dieser Eine gewiss seyn soll, auch ein Zweiter, und wenn, und inwiefern dieser Zweite gewiss seyn soll, auch ein Dritter u.s.f. gewiss seyn muss. Und so würden mehrere, und an sich vielleicht sehr verschiedene Sätze, eben dadurch, dass sie *alle*—Gewissheit, und *die gleiche* Gewissheit hätten, nur Eine Gewissheit gemein haben, und dadurch nur Eine Wissenschaft werden.”

38. *Ueber den Begriff der Wissenschaftslehre*, 61.

39. In his *Die Grundzüge des gegenwärtigen Zeitalters, Sämtliche Werke*, 7: 107, Fichte insists most pointedly on the closure his system of science is able to achieve due to its being founded on a purely a priori principle: “All science that is purely a priori can be completed and its investigation brought to perfect closure.” (“Alle Wissenschaft, die da rein a priori ist, kann vollendet und die Untersuchung derselben abgeschlossen werden.”)

40. Novalis, *Schriften*, 3: 378–79. “Die W[issenschafts]L[ehre] oder die reine Phil[osophie] ist das Relationsschema der W[issenschaften] überhaupt. Sie entsteht aus dem *Einfall* statt wirklicher nachhafter, individ[uel]er Dinge—allg[emeine] Dinge, denen jedes Ding substituirt werden kann (vid. Begr[iff] v[on] *Geld*) oder solche Worte zu gebrauchen und an ihnen, als einfachen, isolirten, *unvermischbaren Zeichen*, und Stoffen, die gewöhnlichen Operationen zu versuchen—die dadurch in ihrer Folge und ihrem Zusammenhange rein erscheinen . . . allg[emeine] *Geltende* Sätze.” Jochen Hörisch has devoted considerable attention to fleshing out this analogy between the validity of propositions in transcendental philosophy and the monetary system; see “Herrscherwort, Geld und geltende Sätze: Adornos Aktualisierung der Frühromantik und ihre Affinität zur poststrukturalistischen Kritik des Subjekts,” *Materialien zur ästhetischen Theorie Theodor W. Adornos*, eds. Burkhardt Lindner and W. Martin Lüdke (Frankfurt am Main: Suhrkamp, 1980), 397–414. Jean-Joseph Goux also pursues

the analogy between economics and idealist philosophy in the chapter “Monetary Economy and Idealist Philosophy,” *Symbolic Economics: After Marx and Freud*, trans. Jennifer Curtiss Gage (Ithaca: Cornell Univ. Press, 1990), 88–111.

41. Karl Marx, “Ökonomisch-philosophische Manuskripte aus dem Jahre 1844,” *Karl Marx: Schriften und Briefe, November 1837–August 1844*, Ergänzungsband, Part I of *Karl Marx, Friedrich Engels: Werke* (Berlin: Dietz, 1977), 571–72. “Die Logik, das Geld des Geistes.”

42. Significantly, Fichte makes an identical case in the *Reden an die deutsche Nation* for the transensual nature of the *Bildung* that will unite the Germans into a coherent cultural nation. This education is based on “a true knowledge, one that is beyond all experience, transensual, rigorously necessary and universal, and which already subsumes within itself from the outset every possible later experience” (“eine wahrhaft über alle Erfahrung erhabene, übersinnliche, streng nothwendige und allgemeine Erkenntniss, die alle nachher mögliche Erfahrung schon im voraus unter sich befasst,” 288). This transcendental schema becomes the model or paradigm for all empirical knowledge; it is, as it were, the monetary instrument that makes experience translatable into a knowledge commodity at all.

43. Luhmann, *Die Wirtschaft der Gesellschaft*, 16.

44. Andreas Verzar, *Das autonome Subjekt und der Vernunftstaat*, 97, suggests that *Der geschlossene Handelsstaat* represents a political manifestation of the *Wissenschaftslehre*; however, he does not go into a formal or structural analysis of this interconnection.

45. To be sure, by the time of the *Reden an die deutsche Nation* in 1807, the watchwords of the Revolution, humanity, liberality, and popularity, had devolved for Fichte into examples of meaningless linguistic abstraction and alienation. See *Reden*, 270–71; 321.

46. Carl Schmitt, *Politische Romantik*, 2nd ed. (Munich: Duncker & Humblot, 1925), 27, identifies Müller as the prototype of the political Romantic, with whom he associates a selfish glorification of subjectivity, a shameless opportunism (Schmitt calls it “occasionalism”) in matters of thought and knowledge, and a rootlessness that allows the Romantics to shift their thinking whenever convenient so as to let them affirm the power of the creative subject over the objective contingencies of reality. For Schmitt’s critique of Müller, see especially pp. 57–76.

47. Müller, “Ueber einen philosophischen Entwurf von Hrn Fichte, betitelt: *Der geschloßne Handelsstaat* [sic],” *Neue Berlinische Monatsschrift* 6 (Dec. 1801): 436–38.

48. “Ueber einen philosophischen Entwurf von Hrn Fichte,” 456–57.

49. *Ibid.*, 458. “[de]n großen Begründer der Staatswirthschaft.”

50. For the historical background on this treatise see Helene Lieser’s unpaginated preface to Müller’s *Theorie des Geldes*.

51. *TG*, 140. “das, was die Metalle durch den Stempel, wie durch eine Art von Creditiv erst zum Gelde erhebt, und was endlich bey weiterer Entwicklung des bürgerlichen Lebens durch das Staatspapier ausgedrückt wird—ist das Principale.”

52. *TG*, 196. “Das eigentliche Wesen des Papiergeldes, nämlich ein idealisches Geld ist also schon vorhanden, in wie ferne es Münze gibt, und ist die unumgängliche Bedingung der Möglichkeit einer Münze.”

53. Pierre Bourdieu calls this “the world of reciprocity relationships” and limits its reach to the domain of family and friends; see his *Outline of a Theory of Practice*, trans. R. Nice (Cambridge: Cambridge Univ. Press, 1977), 186. Müller’s utopian ideal is an extension of these “familial” ties to all the citizens of a state.

54. In *The Order of Things* (178–79), Foucault stresses the “circulationist” quality of the economic theory characteristic of the “Classical” episteme in general, of which Müller’s theory, despite its nostalgic appeal to the superceded feudal social order, is a prototypical expression.

55. *TG*, 29. “Im Gelde, in einer allgemein gültigen, jedem annehmlchen Waare verbirgt sich die gesammte Persönlichkeit, verbirgt sich das persönliche Band, welches diese Arbeiter und diese Bedürftenden unter einander verknüpfte . . . [D]as Band der Manufaktur und des Marktes [ist] eigentlich

ein persönliches, wie auch das Geld, welches nur circulirend, von einem zum andern übergehend, und zwischen zwey Personen vermittelnd zu denken ist, niemahls ein Gegenstand des unbedingten Privateigenthums seyn kann."

56. See Marx, "Ökonomisch-philosophische Manuskripte," 562–67.

57. Marx, "Ökonomisch-philosophische Manuskripte," 567. "die Verbrüderung der Unmöglichkeiten"; "zwingt das sich Widersprechende zum Kuß."

58. TG, 181–2. "das Geld an sich, die verkäuflichste Sache an sich hat keinen Werth, und ist absolut nichts, ohne den Verkehr zwischen Personen und Sachen . . . ; aber es gibt auch umgekehrt keinen Verkehr zwischen den Personen und Sachen, ohne dieses dritte höhere Vermittelnde, ohne Geld."

59. Müller, *Die Elemente der Staatskunst*, ed. Jakob Baxa, 2 vols. (1809; Jena: Gustav Fischer, 1922), 1: 355. "Daß alle Individuen im Staate den Charakter des Geldes annehmen, oder immer mehr zu wahren Gelde werden; daß sich ihr wahrer Werth im Tausch, im Verkehr, im geselligen Leben, daß sich . . . ihr *bürgerlicher Charakter*, erhöhe: dahin geht das große und eigentlich nationale Streben des Staatswirthes. —Je mehr jedes einzelne Individuum im Staate, Sache oder Person, mit allen übrigen in Beziehungen tritt, je mehr es sich also zu Gelde macht: um so concentrirter und lebendiger wird der Staat, um so gewandter bewegt er sich, um so größere Kraftäußerungen kann er hervorbringen, um so mehr kann er produciren."

60. Goetz A. Briefs, "The Economic Philosophy of Romanticism," *Journal of the History of Ideas* 2 (1941): 295.

61. Müller, "Vom Papiergelde," *Ausgewählte Abhandlungen*, ed. Jakob Baxa (Jena: Gustav Fischer, 1921), 31. "[D]a die Besitzer der Metalle, eben wegen der Allgemeingültigkeit ihres Besitzes, an allen Stellen in Europa ungefähr gleich viel galten und vermochten, so verschwand die Vorliebe für das Nähere, Nachbarliche, Vaterländische, Nationale mehr und mehr, und so fanden flache Vorstellungen von Universalstaat, Menschheit, Weltbürgerlichkeit, Philanthropie überall Eingang."

62. Müller, "Vom Papiergelde," 33–34. "[A]lle nachbarlichen, nationalen Verhältnisse müssen mit dem Repräsentanten der persönlichen Dienste, mit dem Papier bestritten werden. Die Macht dieses Papiers liegt nur in der Innigkeit der nachbarlichen und nationalen Vereinigung und in dem Glauben daran."

63. On this homology between money and language for "Classical" thought, see Foucault, *The Order of Things*, 203–05; for specific manifestations of this connection in the German tradition, see my essays "Hypersign, Hypertext, Hypermarket: Adam Müller's Theory of Money and Romantic Semiotics," *New Literary History* 31.2 (2000): 295–314, and "Buying into Signs: Money and Semiosis in Eighteenth-Century German Language Theory," *The German Quarterly* 69 (1996): 1–14.

64. Adam Müller, *Zwölf Reden über die Beredsamkeit und deren Verfall in Deutschland*, *Kritische, ästhetische und philosophische Schriften*, eds. Walter Schroeder and Werner Siebert, 2 vols. (Neuwied: Luchterhand, 1967), 1: 327. Fichte articulated a similar critique of the alienation represented by the written word and the printing press in *Die Grundzüge des gegenwärtigen Zeitalters*, *Sämtliche Werke*, 7: 85–91.

65. Müller, *Zwölf Reden über die Beredsamkeit*, 444.

66. *Zwölf Reden*, 448.

67. Müller, *Zwölf Reden*, 449. "[es ist unmöglich,] ohne Character, ohne Selbständigkeit, ohne Ursprünglichkeit der Geisteskraft . . . diese [die deutsche] Sprache gut zu sprechen."

68. For an analysis of this development, see Hannah Arendt, *The Origins of Totalitarianism* (San Diego: Harcourt [Harvest], 1985), 158–84.