The Cameralists: Fertile Sources for a New Science of Public Finance

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Abstract

The cameralist writers emerged after 1500, primarily in the German-speaking lands, and stayed on the scene until the middle of the 19th century. While I devote some effort to characterizing some of the work and themes of the cameralists, I devote most of this paper to an examination of the contemporary relevance of a cameralist orientation for scholarship in public finance. To place such stress upon contemporary relevance is not to ignore the vast differences between their times and ours, but is only to affirm that there are some enduring themes within the cameralist orientation that could prove interesting and fruitful for contemporary scholarship in public finance.

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The cameralists emerged around 1500, and were mostly located in the German-speaking lands. By the time they had disappeared in the middle of the 19th century, they had amassed a collective bibliography of more than 14,000 items, according to Magdalene Humpert (1937). To someone raised on contemporary economic theory, the cameralists would surely seem highly irrelevant. Among other things, they were oriented toward practice and not toward the refinement of theoretical schemata. Principles were present, to be sure, and these were brought to bear on various matters of substantive practice. The driving interest of the cameralists, however, lay in their ability to operate more effectively in a substantive manner, and not on the development of theoretical argument.

Joseph Schumpeter (1954, pp. 143-208) described the cameralists well when he referred to them as "Consultant Administrators." They were both consultants and administrators. They were consultants to the various kings, princes, and other royal personages who ruled throughout those lands. Indeed, the term cameralist derives from camera or kammer, and refers to the room or chamber where the councellors to the king or prince gathered to do their work. The cameralists were not, however, anything like contemporary academic consultants. They were real-world administrators as well. They were engaged in such activities as managing mines or glass works. Many of the cameralists also held academic posts. The first chairs of cameral science were established in 1727, in Halle and Frankfurt on the Oder, and by the end of the 18th century 23 such chairs had been established (Backhaus 1993).

The cameralists were partly economists, partly political scientists, partly public administrators, and partly lawyers. They approached their subject matter in a manner that used all of these talents and capacities. My first recollection of cameralism dates to the spring of 1970. The occasion was the arrival of the March 1970 issue of the *Journal of Economic Literature*. There, Richard Goode had an article where he compared the treatment of public finance in two different social science encyclopedias, written a generation apart. One of these was the *International Encyclopedia of the Social Sciences*, which was published in 1968. The other was the *Encyclopedia of the Social Sciences*, which had been published in 1930. While Goode duly noted the theoretical advances that had occurred in economics between 1930 and 1968, he also lamented the narrowing of the subject matter of public finance.[1] Goode concluded his lamentation on the state of public finance by asserting that “a sophisticated and unified treatment of the economic, political, legal, and administrative elements of public finance is needed. Unification would represent a return to a tradition as old as that of the cameralists, but for modern readers sophistication can be attained only by rethinking old problems and using new techniques. There is much to be done and work for a variety of talents” (p. 34).

My subsequent reading convinced me that Goode was correct, and that a post-cameralist orientation offers an expanded and more interesting agenda for public finance.[2] In claiming that a return to the cameralist tradition would offer much of value to contemporary public finance, a distinction should perhaps be made between direct and indirect sources of value. By a direct source, I mean instances where cameralist formulations can be brought directly to bear on contemporary issues in public finance. I think there is very little of this in the cameralist formulations. By an indirect source, I mean the orientation, attitude, or point of view toward the subject matter of public finance that the cameralists held. The cameralist orientation can, I think, be very fruitfully carried forward into contemporary public finance, and is capable of generating what could very well be called a post-cameralist public finance. I think the cameralist orientation has much to contribute to contemporary public finance, particularly in its ability to point the way toward a more integrated treatment of fiscal phenomena that are now often accorded separate treatment within faculties of economics, politics, administration, and law.[3] Before I examine some elements of a post-cameralist public finance, I shall provide a short description of some of the cameralist writings and teachings.

The setting for cameralism

Cameralism has often been described as a Germanic version of mercantalism, though I have also seen it described as a Germanic version of physiocracy. These descriptions perhaps illustrate a form of heuristic for guessing, through assimilating something unfamiliar to something familiar. Mercantilism and physiocracy are clearly discussed much more fully in histories of economics than is cameralism. It is perhaps understandable that someone unfamiliar with cameralism who came across cameralistic observations about the importance of agriculture would treat cameralism as a form of physiocracy. It is similarly understandable that a similar person coming across a cameralistic discourse on the importance of stimulating internal manufacturing so as to reduce the import of finished goods, would treat cameralism as a form of mercantalism.

It is, of course, common and often reasonable to classify something new with reference to what is already familiar. This leads to cameralism often being treated as a form of mercantilism and sometimes as a form of physiocracy. While cameralism does have points of contract with physiocracy and mercantilism, some of which have just been noted, it is nonetheless neither of these, but rather is something else entirely.[4] To be sure, cameralism and mercantilism both originated within authoritarian political regimes, and they represented efforts to give good counsel to the heads of those regimes, in light of an unchallenged presumption that those regimes are to continue indefinitely. From here, however, the differences dominate the similarities.

Most importantly, the cameralists and mercantilists differed in the international setting within which their regimes were located. Mercantilism arose among big players on the international stage. The English, the French, the Spanish, and the Dutch, the primary nations with which mercantilism is associated, were not price takers on the international scene. The ability of these powers to reach throughout the world to influence events and terms of trade provided the background for mercantilist thought and practice. The stress upon taxation and the prevalence of rent-seeking and other forms of venality were products of the big-player standing of the mercantile empires.

There were no such powers within the cameralist lands. Austria, probably the premier power early in the cameralist period, could not play with the mercantile powers. The Peace of Westphalia in 1648 recognized more than 300 independent units of governance within the cameralist lands, and there were even more before then. Cameralism arose under conditions of high political fragmentation. The cameralist lands were necessarily insignificant price takers on the international scene. A cameralist land faced a totally different setting than the mercantile regimes faced. There was no concern within the cameralist lands about influencing terms of trade, about the use of colonies as instruments of policy, and about one's relative standing among the preponderant powers. All of these concerns were foreclosed by circumstance to those who ruled within the cameralist lands. The focal point of cameralist concern was on survival of the regime. Survival, in turn, required a military capacity. It also required economic development, which in turn required the acquisition of improved technologies, the improvement of human capital within the population, the creation of new enterprises, and the growth of population.

This concern about development took place within regimes that were both absolutist and severely constrained. The prince was the ruler of his lands. He did not have to worry about surviving periodic elections, and he could hope to pass his principality along to his eldest son. His ability to do this, however, varied directly with the extent of economic progress within his land. A prince whose land was supporting a growing population of energetic and enterprising subjects would both be wealthier and face better survival prospects than a prince of a land where the population was stagnant or declining, and whose subjects were dull and lethargic. Furthermore, population was mobile in fact, even if it was mostly tied to the land at law through feudal restrictions. Distances between lands were typically short. A peasant who traveled to a new land was not likely to be returned. The rulers of the cameralist lands faced a competitive labor market. Indeed, the cameralist lands represented a kind of competitive industry among localized governments, much as Tiebout (1956) tried to characterize some 300 years later.

The cameralist analytical framework

It may be stretching matters a bit to refer to a cameralist “analytical framework.” A reference to “orientation” or “perspective” might be more circumspect. The cameralists proceeded much more by the statement and elaboration of practical maxims than through the construction and logical manipulation of analytical models. For instance, the cameralists generally favored growing populations, but did not articulate any model that characterized the impact of population growth upon cameralist objectives. It is most likely that the cameralist writers simply embraced an empirical belief that a growing population would be beneficial in their states, particularly in terms of the conditions that obtained at that time throughout the cameralist lands. The devastation wrought by plague and war would have provided the cameralists with a strong orientation or predisposition toward population growth, even in the absence of any systematic framework that linked population to some cameralist objective. It is also possible, however, to read some inchoate notion of increasing returns into the cameralist support for growing population. There are numerous claims that a growing population provides a particular stimulus to production that otherwise would be lacking. It would be easy enough to read such references as precursory versions of an increasing returns that results from the increasingly fine division of labor that population growth makes possible.

The absence of a highly systematic approach makes it difficult sometimes to determine whether differences among particular cameralists are truly substantive or rather represent simply different ways of asserting the same thing.

Take, for instance, the goals of cameralist policy. Population growth is supported as a means for advancing a desired end. But what is the end that cameralist policy seeks to promote? Compare, in this respect, two of the premier late cameralists, Johan Heinrich Gottlob von Justi and Joseph Sonnenfels. Justi (1782) asserted that the primary goal of cameral policy should be the happiness of the state and its subjects. In this, one could well imagine applause coming from Jeremy Bentham. Justi did not, however, engage in any effort at weighting utilities across rulers and subjects. Rather, he asserted that in a well-conducted state, one governed by cameralist principles, the happiness of all would rise and fall together.

Sonnenfels (1787) argued that it was not happiness that was the proper objective of cameralist policy, but an expanding population. A happy population would be an incidental and automatic by-product of a growing population. As a matter of empirical conduct at the time, the programs of Justi and Sonnenfels were indistinguishable. In this case, the distinction that Sonnenfels drew with respect to Justi may have represented an effort at product differentiation. Despite a possible empirical-historical congruence, the two programs might diverge in general. Neither author, however, provided a systematic framework of hypothesized relationships that would make it possible make any definitive statement.

To be sure, I think that simple regime-perpetuation, and not some notion of happiness for state and subject, is the best way of characterizing the prime objective of cameralist policy. The cameralists went through a lot of mental gymnastics to explain that all such pleasant-sounding platitudes as the promotion of happiness for state and subjects were invariably being promoted by the existing regime. The cameralists were not a highly critical bunch, and in this attitude they probably displayed a good deal of practical realism. They accepted the legitimacy of their regimes, and pursued their professional work within a means-end framework. The end to be attained, or sought after, by the state was the ruler's business. The cameralists were there to offer expert advice on the acquisition of revenues and their subsequent expenditure. In the next section I shall focus on the revenue side of the cameralist analytical framework. I shall give only cursory attention to the expenditure side, for otherwise I would not have enough space left to address some of the possible elements of a post-cameralist public finance.

Cameralist revenues

When one regime gives way to another, residues from the previous regime typically remain in place. By the 1880s, the cameralist period was but a historical memory, and it is probably reasonable to date its end with the Napoleonic wars. Yet one of the notable features of the cameralist regimes could still be detected in the fiscal data. This is the particularly heavy use made of revenues from state lands and enterprises as a means of financing state activities. Table 1 summarizes data presented at various places in Backhaus and Wagner (1987). This Table pertains to various dates in the late 19th century,

[Table 1 about here]

and shows state income from agricultural enterprises as a percentage of total state income. Revenues from agricultural enterprises comprised generally between two and four percent of total state revenues in the noncameralist lands. In contrast, net revenues from farm enterprises were some five to ten times more significant in the former cameralist states.

The cameralist emphasis on enterprise revenues did not stop with agriculture. Enterprise revenues of all forms played a substantial role in state finance in the former cameralist lands. Table 2, also from Backhaus and Wagner (1987), shows the importance of all state enterprises as a source of

[Table 2 about here]

state revenue for 1896-98, two generations or so after the end of the cameralist period. In the four large states shown there, enterprise revenues ranged between 30 and 60 percent of total state revenues.

This heavy use of net revenues from state enterprises to finance state activities was the central feature of the revenue side of cameralist public finance. By contrast, enterprise revenues occupied a minor position in state finance in the noncameralist lands. To be sure, even this minor position was strikingly at variance with the position as objects of subsidy that state enterprises came to occupy in the 20th century. I recall my astonishment as a graduate student when I came across Adam Smith's statement in the *Wealth of Nations* that "the post office . . . affords in almost all countries a very considerable revenue to the sovereign" (p. 682). The American post office at the time was doing no such thing, but was receiving large subsidies from the treasury, as were most state enterprises. In earlier times, though, state enterprises often served as modest sources of revenue, save in the former cameralist lands where state enterprises were significant sources of revenue.

Cameralist public finance treated state lands and enterprises as principal sources of revenue, and most certainly not as objects of subsidy. If one were to construct a model of the cameralist vision of the state, it would look like a model of a business firm. The state's lands were potential sources of revenue. Forests could be harvested, game could be caught, and mines could be built and worked. The ruler would also sponsor an assortment of commercial enterprises, including such things as the operation of a glassworks or a brewery. Taxes occupied a secondary position as a source of revenue. Taxes were a last resort option for public finance, and not the first source of revenue.

The cameralists' general predisposition against taxation as an instrument of public finance reflects the orientation that the state acts as a participant within the economic order. Individuals had their property and the state had its property. The state should be able to use its property to generate the revenues required to finance its activities. Or at least those enterprise revenues should support the major portion of state activity. Some of the cameralists argued that taxes should be earmarked for the support of the military, while all activities concerned with internal development should be financed from the prince's net commercial revenues. In any case, the state contains many business enterprises within its boundaries, and with the state itself being one of those enterprises. The state's enterprises are to be the primary source of revenue for the state. It was understood that the state would have significant expenses associated with its activities. These expenses, however, were not to become drains upon the private means of subjects. They were to be met from the lands and enterprises that constituted the state's property.

It was perhaps out of a recognition of the realities of power that there was no absolute prohibition on taxation. Rather there were various statements that taxes should be limited and low, for otherwise they would bring harm to the state and its subjects. It is instructive to compare the approach to taxation taken by Johann Heinrich Gottlob von Justi and Adam Smith, particularly with respect to the limits placed on the use of the power to tax. Smith, of course, is one of the premier figures of classical liberalism, and it is hardly surprising that his maxims of taxation are widely thought to serve as strong limits on the power to tax. Smith's four maxims of taxation have been stated repeatedly in public finance texts since he first articulated them in 1776. These are:

(1) Taxes should be levied in proportion to property.

(2) Taxes should be certain and not arbitrary.

(3) A tax should be convenient to pay.

(4) A tax should be economical to administer, for both the taxpayer and the state.

Justi (1771, pp. 549-65) similarly articulates maxims for taxation, though these maxims, unlike Smith's, have not been carried forward in the public finance literature. What is surely most notable about Justi's maxims is that they go well beyond Smith in limiting the power to tax. While the precise arrangement of Justi's maxims differs from Smith's, Justi's maxims cover all of the territory covered by Smith's maxims, and then goes well beyond Smith in limiting the power to tax. Like Smith, Justi holds that a tax should be levied in proportion to property, that it should be certain and not arbitrary, that it should be convenient to pay, and that it should be economical to administer.

Justi, however, does not stop there. He offers two maxims that have no counterpart in Smith. One of these is that a tax should never deprive a taxpayer of necessaries or cause him to reduce his capital to pay the tax. A second maxim of Justi's that is not found in Smith is a requirement that a tax should neither harm the welfare of taxpayers nor violate their civil liberties.

To the extent the principles articulated by Justi and Smith were put into substantive practice, Justi would place far stronger limits on the use of taxation than would Smith. The comparison of Justi and Smith, however, does not stop here. Smith regarded taxation as the primary source of public financing, and thought ideally that it should be the sole source of public finance. For instance, Smith preceded his presentation of tax maxims with an argument that the state should eliminate its property and the revenues derived therefrom. In sharp contrast, Justi preceded his discussion of tax maxims with a discussion of why taxation should be a last resort or secondary means of public finance. Indeed, Justi argued that ideally the state would not tax at all.

This difference between Justi and Smith reflects one of the important orienting principles of the cameralists, namely, that the state acts as a participant within the society and its economic order. The cameralist advice on the use of state budgets and other policy instruments to promote the happiness of the state and its subjects took place within a presumption that the state itself was located inside the economic order and not outside it. The state is but another participant within the economic order of a society. Civil society and the state are nonseparable and co-emergent. This treatment of the state in relation to civil society contrasts sharply with various contemporary constructions where state and society are treated as autonomous and independent from each other. In this alternative construction, the state intervenes into civil society and its processes. This distinction between the state as participating within the economic order and the state as intervening into the economic order, has numerous implications and ramifications, one of which concerns the generation of state revenues. The cameralist ideal, recognizing that practice rarely if ever conforms to ideals, was the state as a peaceful and productive participant within the economic order. The Smithian ideal was the state as a violent force for intervention into the economic order. It is perhaps no wonder that Joseph Schumpeter (1954, p. 172) described Justi as "A. Smith . . . with the nonsense left out."

In their 1980 book on the *Power to Tax*, Geoffrey Brennan and James Buchanan construed the state as a revenue-maximizing beast, a leviathan. While the leviathan of the Bible lived in the sea, it is easy enough to imagine it as living on the land. Smith's maxims for taxation are a recipe for living with the leviathan by doing such things as clipping the beast's nails and filing its teeth. A beast it will always be, and the objective of tax maxims should be to limit the damage caused by the beast. Justi's maxims for taxation, in conjunction with his preference for enterprise revenues over taxation, represent a contrary intellectual orientation that would seek to domesticate the beast.

Revenues, of course, are only one side of the fiscal account. The cameralists also devoted much effort to the expenditure side. Much of that discussion had a kind of capital-theoretic quality to it, where programs of expenditure today would generate increased revenues tomorrow. A great deal of the cameralist emphasis was placed on what is now called human capital, though it would not be appropriate to import too much of a conceptual framework into the cameralist works. A good deal of this emphasis stemmed from the concern with population. A growing population was desirable, to be sure, but that population in turn had to possess useful skills and talents, to be healthy, and to possess an industrious attitude. While the cameralists devoted a good deal of attention to such kinds of topics, they did not employ anything remotely resembling contemporary models or techniques. Still, a great deal of the cameralist discussion concerned the contribution of various expenditure programs to the well-being of the state and its subjects.

A cameralist orientation toward contemporary public finance

My primary thesis is that cameralism contains an orientation toward public finance as a field of academic scholarship that offers a wider and more varied analytical agenda than can be found within the bulk of public finance today, just as Richard Goode asserted in 1970. I should like to complete my remarks on the cameralists by exploring some aspects of what could be called a post-cameralist public finance.

Cameralistic public finance is a choice-theoretic approach to public finance. The phenomena of public finance, state revenues and expenditures, arise out of a ruler's optimizing choices. It is quite different in modern democratic regimes. The phenomena of public finance do not arise from someone's optimizing choice, but rather arise through interaction among the many participants within the fiscal process. This interactive or catallactic approach to public finance leads often to quite different implications for public finance than the choice-theoretic approach (Wagner 1997). The dominant portion of contemporary public finance has maintained the choice-theoretic orientation toward public finance, as if fiscal phenomena are still generated through the same processes that were in place in mercantalistic and cameralistic times. This astonishing situation was noted in 1896 by Knut Wicksell (1958, p. 82), when he complained that the theory of public finance "seems to have retained the assumptions of its infancy, in the seventeenth and eighteenth centuries, when absolute power ruled almost all Europe."

A choice-theoretic approach to public finance was suitable in cameralist and mercantilist times. A cameralist ruler could reasonably be described as seeking to use his fiscal means to promote his dynastic ends. For the cameralists it was historically accurate to ascribe the phenomena of public finance to the choices of the rulers. The state's revenues depended on the ruler's choices about how to operate his mines and how to farm his lands. The extent to which state expenditures were directed to projects that might increase future productivity were likewise objects of choice for the ruler. Suppose two kingdoms were observed to undertake different expenditure programs. In the first kingdom expenditures were heavily oriented toward such investments as draining swamps and building roads that would be likely to increase future production. The budget in the second kingdom, however, did little about swamps and roads, and instead spent lavishly on amusements for the king and his court. It would be reasonable in this case to compare the budgetary choice of the two kingdoms, and to say that the first king had a lower time preference, or was otherwise more far-sighted than the second king. To the extent it is possible to make inferences about preferences from the observation of choices with respect to private choices, it would be possible to do the same thing with respect to state choices within the cameralist setting. To be sure, the conduct of cameralist rulers was relatively civilized, and nothing like the experience with dictators in the 20th century. The conceptual construction of a benevolent despot perhaps finds historical validation in the cameralist period. That does not, however, render empirically valid the use of constructions based on benevolent despots in public finance today.

Whether budgets in a democratic regime were tilted toward amusements or capital projects would not be a source of information about some person's preferences. Budgets emerge out of interactions among participants, and those interactions are governed and shaped by a variety of procedural rules.[5] The people who participate in a market make their various choices, but it makes no sense to speak of the market itself as making choices. The market simply registers and reflects the choices and interactions among the participants. It is the same with budgetary outcomes within a democracy. Furthermore, the same set of people can generate quite different budgetary outcomes, depending on the institutional framework within which the budgetary process proceeds. In this respect, there is an indefinite number of particular budgetary processes that can be imagined, and it is conceivable that a wide variety of budgetary outcomes could be generated, if the experiment were performed of having the same people engage in successive interactions across differing institutional frameworks.

This consideration suggests immediately that a post-cameralist public finance would place particular importance and significance on the institutional framework within which budgets emerge. This institutional focus, moreover, would exist on two distinct conceptual levels. One level takes as given some particular institutional framework, or compares different institutional frameworks. In any case, the analysis at this level would take institutional frameworks as given data, and rest content with exploring how those frameworks guide and govern the interaction among participants into the generation of budgetary outcomes. The other level would recognize that people also generate and modify institutional frameworks as they go along, and would seek to give an account of the generation and dissipation of institutional frameworks.

The cameralists were clearly agents for their royal principals. Principals who were unhappy with their cameralist agents would dismiss them, and could well imprison them for malfeasance. Justi, for instance, died while imprisoned for alleged financial mismanagement. While modern democracies are quite different from the cameralist absolutisms, such categories as principal, agent, and property are present now just as they were then. The cameralists spoke of subjects. We now speak of citizens. It is the citizens who are the principals in a democracy. The head of state was the principal in cameralist times, but is now the agent. The same relationship of agency exists in modern democracies as existed in cameralist times, only the substantive character of that relationship is different in many respects.

All agency relationships raise questions of how strongly the agent will promote the desires of the principals.[6] This question has been examined in quite good measure in respect to business corporations. The basic thrust of that literature is that the existence of a market for ownership shares is the pivotal institutional feature in both (1) homogenizing the interests of shareholders (principals) and (2) inducing principles to promote the interests of principals. Governments face the same formal problems of agency that business corporations face. Indeed, there are many modern examples of business corporations that provide government-like services, and in a way that resembles the cameralist states.

Shopping centers, apartment complexes, and hotels all provide state-like services in a cameralist-like setting.[7] What these organizations do is offer forms of tie-in sales, where private and public services are offered as a package. Apartments and hotels offer rooms to residents. The rental price, however, also finances the provision of an array of public services. Hotels will have subways that run vertically. Hotels usually sweep their streets daily. Hotels and apartment complexes typically provide a variety of parks and playgrounds. Walt Disney World in Florida offers the same kind of arrangement, only it covers 45 square miles of territory. All topics relating to property and agency within the conduct of government would fit naturally within a post-cameralist orientation toward public finance.

A great deal of contemporary public finance operates with a form of illusory concreteness. An effort is made to treat a theoretical construction as if it were something that can be observed in reality. For instance, the condition that price equals marginal cost is a theoretical construction. The treatment of this construction or condition as a pricing rule for state enterprises to follow is an example of illusory concreteness.[8] It treats this condition as something that is directly observable independently of who is doing the observing. The so-called Ramsey tax rule is another illustration of illusory concreteness. There, tax rates are supposed to vary inversely with demand elasticity. It would be difficult enough to try actually to tax people according to their weight or height, but at least these magnitudes that are directly accessible. Taxing people according to their demand elasticities is a nice theoretical exercise that does not even remotely fit the most elementary requirement of transparency that any genuine rule must surely possess.

The cameralists did not succumb to illusory concreteness. They were too firmly grounded in reality for that. Any theoretical construction obviously must involve abstraction, and the abstraction must in turn be servicable for the task at hand. Statements about marginal cost pricing and Ramsay taxes have their places in general equilibirum theorizing, but they are not constructions that resolve or facilitate the issues of state administration at which they appear to be directed. Their concreteness is illusory. From the perspective of today, we would call the cameralists multidisciplinary, with the primary disciplines being economics, politics, law, and public administration.

What is the relationship between public finance and these four disciplines? In the choice-theoretic approach to public finance, whose chief turn-of-the-century inspiration would be Edgeworth, public finance would be a proper subset of economics.[9] Just as there is a *Journal of Economic Theory*, so there would be a *Journal of Public Economic Theory* to cover that subset of economic theory that dealt with the state. Public finance would look like economic theory, only it would have a specialized subset of subject matter. In this respect, it would be no different from, say, agricultural economics or housing economics. These are also specialized subsets of economics that are, nonetheless, not anything other than economics. In sharp contrast, a post-cameralist public finance would most surely not be a proper subset of economic theory. Suppose you were to draw a Venn diagram with intersecting circles denoting such fields of study as economics, politics, sociology, public administration, and law. Post-cameralist public finance would cut through all of those fields, and in its own right would be a genuinely multi-disciplinary field of study.

TABLE 1

Income from State Farms as Percentage of Total State Income

State	State farm income/total state income
Noncameralist States	
France	1.5 %
Netherlands	1.9 %
Denmark	2.9 %
England	3.0 %
Italy	3.0 %
Russia	3.6 %
Greece	3.6 %
Austria-Hungary	3.9 %
Switzerland	4.1 %
Cameralist States	
Baden	7.1 %
Saxony	9.7 %
Wüttemburg	13.2 %
Prussia	16.4 %
Bavaria	17.3 %

Source: Backhaus and Wagner (1987).

TABLE 2

State Enterprise Revenue as Percentage of Total State Revenue

State	Enterprise revenue/total state revenue
Saxony	59.5 %
Prussia	56.8 %
Württemberg	47.7 %
Bavaria	30.7 %

Source: Backhaus and Wagner (1987).

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ENDNOTES

[1]Goode's lament was voiced brilliantly some years later in a different context by Axel Leijonhufvud (1996), who said that "recent developments in macroeconomics remind him of the movies coming out of Hollywood: there isn't much to the plots anymore, but the special effects are spectacular."

[2] A valuable textbook by Charles Blankart (1991, Ch. 2) presents cameralism as the source for the approach to public finance associated with such authors as Sax, Wicksell, Lindahl, and various turn-of-the-century Italian scholars.

[3] Related territory is addressed in Backhaus and Wagner (1987).

[4] For valuable, general surveys of cameralism, see Dittrich (1974) and Small (1909). Shorter and more focussed, but also highly valuable is Tribe (1984) (1995, Ch. 2).

[5] For a nice effort to pursue such an approach, see Kraan (1996).

[6] They also raise questions of whether principals share some common standard for appraising agent performance. Without agreement among principles, it is dubious to speak of agency costs and related notions. It must suffice to say here that the degree of agreement among principles can be influenced by institutional arrangements. Market arrangements based on private property generally facilitate agreement among principals. Some democratic arrangements may operate in a similar manner, where others appear not to do so.

[7] This point is made in striking fashion by MacCallum (1970). For an extension of this outlook to cities, see Foldvary (1994).

[8] See, for instance, the essays collected in Buchanan and Thirlby (1973).

[9] The chief turn-of-the-century inspiration for post-cameralist public finance would be Wicksell.