

DICIONÁRIO DE HISTORIADORES PORTUGUESES

DA ACADEMIA REAL DAS CIÊNCIAS AO FINAL DO ESTADO NOVO

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LARANJO, José Frederico (Castelo de Vide, 1846 - Lisbon, 1910)

José Frederico Laranjo was born of humble background in Castelo de Vide, son of Possidónio Mateus Laranjo and Maria José Correxana. He began ecclesiastical studies, quickly abandoned, and then went instead to the Faculty of Law at Coimbra University, where he graduated and started an academic career. He taught various courses, distinguishing himself for his lecturing on Political Economy and Constitutional Law. However, his academic activity was interrupted by politics, spending many years as a deputy in the National Assembly for the Progressive Party, and later as a peer of the realm. He sat on various parliamentary commissions, particularly those relating to banking matters, but he never held a position in government. As a member of many scientific societies, both national and foreign, he made a lasting contribution to the press, as well as giving firm support to the promotion of cooperativism and popular education. He had a long-standing commitment to local and regional ways of life, and in the university he promoted the study of local history (cf. A. Ventura, *José Frederico Laranjo (1846-1910)*, 1996, and J. C. Graça, *As Ideias Económicas...*, 2002).

In 1871 Laranjo intervened into the dispute on the principle of law that took place in Coimbra, between the academics Rodrigues de Brito and Vicente Ferrer Neto Paiva, defending Kant's principle of *neminem laedere*, i.e. harm no one. He argued that it was possible, while maintaining Kant's principle as the basis of law, to complete it with Brito's system, of the so-called mutuality of services, which would constitute its content. Within this line of thought, which led from Kant to socialism, he referred favourably to Fichte and the so-called utopian socialists. Of Fourier's system, he declares cautiously in his Latin thesis (*These ex Universo Jure quas (...)*, 1877, p. 17) that he finds it defensible in all respects, except with regard to the family. That index finger of the law also points out the foreseeable future of mankind, since its history reveals a progressive approximation from what is towards what "should be". Humanity fulfils its potential historically, cumulatively, following a trajectory that corresponds to true progress, as an expression of its defining characteristic: perfectibility. In this respect he subscribes to the thesis that history, departing from an initial whole, leads, by way of a subsequent phase of differentiation and conflict, to a third phase, with a new and more complex form of unity and coherence. He also subscribes to the notion that this process, at first unconscious, transforms itself into another, conscious one, in which subject and object become confused,



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and of which the philosophy of history is itself the epitome. He openly gathered these elements from the works of Saint-Simon, Hegel, and their respective disciples.

His work involved intense efforts in the field of political economy, using the material to incorporate the received ideas of Friedrich List, of Ricardianism, and the “socialist systems”, particularly those of Karl Marx, as well as the tradition of the so-called “historical school” (cf. “Origens do Socialismo”, 1874-75, *Teoria Geral da Emigração...* 1878 and *Princípios de Economia Política*, 1997). His work suggests, in some aspects, an apparent eclecticism, which however reveals a very conscious effort to produce his own thinking, open to different influences, but endowed with a high level of internal coherence. His discussion of economic theory is above all inseparable from a recognition of the component of “should be”, of “ethics”, or a moral objective necessarily associated with practical economics. Since Laranjo’s political economy is clearly inscribed in his juridical thinking, especially as regards public law, his work in fact constitutes a form of “economic institutionalism”, within which there stand out his explicit inferences in defence of cooperativism and state economic intervention.

Given the national circumstances, Laranjo believed that the processes of industrialization should be supported by the public authorities, in the first place through protective tariffs. In this regard he evidently subscribed to the views of the *social economic school*, or “national economy” of List and Carey (*Teoria Geral da Emigração...* 1878). From this current he took not only industrial protectionism and the multiple role of the nation state, but also the notion that concern for productive forces took precedence over that for the products themselves, as well as the tendency to think of economic facts in terms of reinforcing the whole. These ideas converge with the ethical aspect, characteristic of his thinking: it is completely illegitimate, he argues, to conclude from the absence of industries in the country that it *could* not, or *should* not, have them. Not only should there be, but in reality there could be, and there tended to be, precisely by virtue of the conscious advance to the good that men are capable of.

It is within this context that the relevance he himself attributed to his works on Portuguese economic history and the history of Portuguese economic thinking should be situated. The earliest find their expression mainly in the essay on historical periodization which makes up the fifth chapter of the first part of his *Princípios...* as well as in the study of banking history included in the second part of the same work. The periodization derived from the history of productive activities allows him to identify three distinct epochs. The first corresponds to Antiquity, and is characterized by a social differentiation between free men and slaves. This is followed by another, lasting roughly until the French Revolution, marked by the fact that industries have “a more differentiated organization: in agriculture feudal servitude, common law, and mortgaged, entailed or defective property; in manufacturing the servitude of the workshop and the guilds of the arts and crafts; in commerce the corporations, the leagues of the maritime nations, the trading by the nation and by monopoly companies” (*Princípios...*, p. 121). Finally, from the French Revolution there has been a period characterized above all by free competition, so that Laranjo’s aim is to prepare the way for the arrival of the



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fourth period, that of association. Observation and the study of economic reality “prove that we are in a critical economic epoch” (*Idem*, p. 138), dominated by class conflict and anarchical competition. The dominant diagnosis of the political economy was inadequate: “The analysis that the individualist school makes of competition is incomplete, because it detaches it from historical circumstances; free competition appeared with the distinction, already profound, between businessmen and workers, with large-scale industry, and with the prohibition on workers’ association, and for all these reasons has produced not equality but industrial feudalism” (*Idem*, p. 137). This is a merely transitory state of affairs which calls for its removal, given that “we see nothing but grains of sand without cement, individuals, unconnected atoms. And individuals [...] that are nothing in the face of the great industrial companies, which they can only resist by organizing themselves” (*Idem*, p. 138).

As for the cooperatives, he explains they can be for trade, for credit, and for production. As well as sharing the profits, they can all be considered as educational for industrialists, a sector that requires better training, more rigorous accounting and better moral instruction. His prudence and gradualism do not disguise the radicalism of his proposal, corresponding to a reworking of the figure of the businessman, who will be replaced by workers’ self-management. “Sharing in the profits and consumer and credit cooperatives are useful not only in themselves, but also as the economic and moral basis of the productive cooperatives, in which the workers associate to produce and sell in common, replacing the businessman with a manager elected by themselves, receiving only the average salary and sharing out the profits at the end of the year” (*Idem*, pp. 134–35). His attempt at historical periodization therefore takes on a markedly instrumental character, becoming a sort of justification for the central choices in his political economy. Reciprocally, as a thinker of a notably “historicist” inclination, Laranjo feels a constant need to support his theory and doctrine with lessons supplied by “life’s instruction”.

Equally worth noting is his constant distancing himself from the orthodoxy of the “monetary veil”, dominant in the nineteenth century, supporting instead the search for a continuous massification of the means of circulation. Through it, and the consequent tendency for a sustained increase in prices, are seen the simultaneous effects of stimulating economic growth and of the democratization of the distribution of wealth, of the raising up of the “greatest number” (*Idem*, p. 164), particularly through the erosion of rents and rates of interest. If it were not for the historical increase in the means of circulation, if “there had been factors contrary to these, there would have operated, instead of a democratic evolution in societies, an aristocratic evolution; feudalism would not have disappeared, it would have been strengthened; interest rates would not have fallen, they would have risen; production would not have undergone the marvellous development we have today, on the contrary it would have been restricted; and instead of this idea — progress — which is the evident result of history, the opposite and lamentable idea would have been engraved in our intellects and our feelings [...]” (*O Banco Emissor*, 1887, p. 3)



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This emphasis on the importance of circulation, the defence of a corresponding state intervention by creating an issuing bank and supporting mutualism, also finds expression in his support for “bimetallism”, thought of as a “common monetary language” (*idem, ibidem*, p. 188), capable of unifying and stabilizing the global economy, guaranteeing the supply and abundance of means. On this point, he argues that, with regard to Ludwig Bamberger’s legislation, it was above all political considerations of prestige and rivalry with France that led Germany to join the gold standard immediately after the Franco-Prussian War, leading to severe international disturbances and an unnecessary accentuation of economic crises (*O Projecto de Contrato com o Banco de Portugal*, 1904, p. 7).

Regarding Portuguese banking history, and particularly the unification in 1845 of the Banco de Lisboa and the Companhia de Confiança Nacional to form the Banco de Portugal, Laranjo states that the main interests were not safeguarded there; on the contrary, it protected those who were largely responsible for the difficulties (*Princípios...*, pp. 283–84). However, that did not shake his faith in the potential role of the banks and means of circulation in promoting general prosperity. And the conclusion he draws from the Portuguese case, all things considered, is far from being negative: “despite excessively liberal economic legislation, lax industrial habits, a popular justice that easily dismisses crimes, turning them into misfortunes”, despite various disadvantages “the price of an apprenticeship, that all nations pay, and the crises with many other causes, the progress in wealth has been great and incontestable” (*Idem*, p. 307), progress that found its fullest expression in the circulation of credit itself.

Economic intervention by the public authorities is necessary in many fields, quite apart from protective tariffs, means of communication, of training and of credit. The state should make different types of insurance mandatory under law and support the establishment of mutual aid societies and the like, “like a net to break falls stretched beneath the varied and arduous gymnastics of life” (“Os Operários sem Trabalho e a Evolução Económica”, 1902, p. 1). This combination leads us to classify Laranjo according to the formula that he himself used: simultaneously a statist socialist and an associationist socialist. When businesses become too large, as technical requirements increasingly make necessary, either the state owns them, he asserts, or they own the state. On the other hand, in the face of these modern Leviathans, which may be either the state of the great businesses, either individuals associate with a view to collective action or their real liberty becomes a hollow word (*O Banco Emissor*, p. 4).

Regarding his pioneering writing on the history of economic ideas in Portugal (1976), as well as clear signs of the so-called Historical School — the importance given to the *nosce te ipsum*, the need for a profound knowledge of the national reality in order to correct it — we should emphasize the evident influence of Friedrich List. In line with his thinking, Laranjo went on to rehabilitate various mercantilist authors, as well as others, closer chronologically, who showed heretical inclinations with respect to nineteenth-century liberalism, above all Solano Constâncio, explicitly noted as a Portuguese precursor to List and his “national economy” (*Idem*, p. 88). In fact, he attempted as a rule to locate Portuguese authors in line with schools at a



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European level, not with the intention of inventing any “Portuguese” school or the like, and even less as an apology for any type of agrarian theory, but rather to suggest that there was a certain adhesion to physiocratic ideas amongst some writers of the late eighteenth century. Laranjo claimed that, by his proposals, Domingos Vandelli “shows himself to be a physiocrat” (idem, *Ibidem*, p. 43), though without expressing by this characterization any sympathy — rather the contrary. The study of the history of economic thought that he undertook can, taken as a whole, be integrated into his simultaneous concern for historiography, industry, and “social” matters, that is, closely related to the “historical school” and “academic socialism” (*Kathedersozialismus*), which were characteristic of a wide movement of European authors at this time (*As Ideias Económicas e Sociais de José Frederico Laranjo*, pp. 488–527).

Also worth mentioning is his study of political and constitutional law, which aims to identify the emergence, in the historical *longue durée*, of universal values, the true glory of modernity, and his emphasis on the importance of consolidating the nation states as the vehicle par excellence for these values: “Above all differences of race, of family, of historical evolution, of civilization, of interests, there is a quality common to man, being human; [...] men form a greater whole, humanity. It seems that this idea must be older than the partial ideas of race, family, tribe, city, people, nation, etc.; in them is not the following: *antiquity for many centuries knew neither the idea, nor the word [...]. It was necessary for these great social groups called nations to be formed, to conceive of the hope of organizing humanity juridically*” (*Princípios...*, pp. 28–29).

Finally, it is worth noting Laranjo’s role in producing studies of the history of his *alma mater*, the Faculty of Law at Coimbra. Paulo Merêa (1956) refers to him many times, drawing frequently on his testimony. In particular, regarding the proposals of the commission which, in 1886, discussed the revision of studies in the faculty, he cites Laranjo’s report as firm evidence of the *sociologizing* evolution of the teaching of law: “It is generally known that the philosophy of Auguste Comte replaced the division of the sciences into divergent and opposed branches with a classification in which phenomena ascend from the most simple to the most complex [...]. This conception, which was initiated by Saint-Simon, and which is derived logically from Hegelian philosophy, in itself affirms the solidarity and harmony of all the sciences. [...] It is certain that societies have their own natural laws, that a society can be, and today is, the object of a science which Comte called sociology, a designation that was accepted by the consensus of the writers who followed him; and the law, which regulates men’s relationships with one another, whether in matters of freedom or in matters of property, is one of the sciences embraced by sociology, and which has it at its base. It is natural then that its study should start from the ‘general principles of sociology’ [...]” (“Ciências Morais e Sociais [...]”, 1893, p. 918; *Esboço de uma História da Faculdade de Direito de Coimbra [...]*, 1956, III, pp. 7–8).

Works by the author: *O Conteúdo e o Critério do Direito*, Coimbra, Imprensa da Universidade, 1871; “Origens do Socialismo”, Coimbra, *O Instituto*, Volume 19, 1874, pp. 201-219; vol. 20, 1875, pp. 57-74; *These ex Universo Jure quas in Conimbrigensi Academia Anno MDCCCLXXVII Propugnabat Josephus*

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APOIOS:

