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XI

Emile de Laveleye

Economic crises, Christianity and socialism

Ludovic Frobert (CNRS/TRIANGLE)

La Grande encyclopédie, inventaire raisonné des sciences, des lettres et des arts par une société de savants et de gens de lettre, Paris: H. Lamirault, 1885-1902

14.1 LA GRANDE ENCYCLOPEDIE

14.1.1 A positivist encyclopaedia

The 31 volumes of *La Grande Encyclopédie* were published between 1885 and 1902. As Claude Nicolet put it, this was the period in French history when, following a “dramatic and improbable evolution... the Republic [moved] from utopia to reality” (Nicolet 1982, p. 196). Although the chemist and Radical politician Marcelin Berthelot may not have actively directed it, *L’Encyclopédie* was cautioned by his moral authority. Berthelot was an archetypal “scholar of the Republic” who adhered to the contemporary positivist and solidarist credo which was being formulated in the works of Léon Bourgeois and which celebrated “the close agreement of scientific method and the moral idea” and explained that “reason, guided by science, determines the inevitable laws of action; the will, driven by the moral sentiment, undertakes this action” (Bourgeois 1902, p. 106).

Produced with the support of a financial network, *La Grande Encyclopédie* was representative of an advanced stage of the book and publishing industry (Mollier 2001). It was a collective undertaking managed by men such as Ferdinand-Camille Dreyfus and André Berthelot occupying the position of general secretary (Jacquet-Pfau 2006, 2007).

The principal ideological and methodological choices are set out in the preface and foreword written by the journalist and radical politician F. C. Dreyfus (also responsible for the economic and political section of the *Encyclopédie*). Proceeding from the paradox that, despite the 18th century example of Diderot and D'Alembert, France was lagging behind in encyclopaedic undertakings, Dreyfus thought that the education of the citizens of the Republic¹ required a new comprehensive survey, an objective and positive general inquiry². The objective advances of science and its applications in every area (notably in the area of industry) should shape this new work. *L'Encyclopédie* should also be well-informed about these matters. An encyclopaedia is not just an inventory or a mere dictionary; it is based on a classification of subjects and especially the sciences. It requires the gathering of a mass of facts and subjects and above all its authors have "to coordinate it into a well-proportioned whole" (Préface, p. V). One should follow in the footsteps of Bacon, D'Alembert and Comte, and adopt, for convenience, the latter's historical classification of the sciences with mathematics and sociology as its first and last terms. Dreyfus maintained that there is nothing arbitrary or illusory in this projected classification. Expressing faithfully the positivist and rationalist culture of this Republican period, he wrote:

Is there really, [derived] from the very nature of the facts, a classification of the sciences amongst themselves?

...

In a word, are there scientific laws or not? That is the question to be asked on the threshold of the general classification of the sciences.

The encyclopaedia should answer in the affirmative or renounce the pursuit of its work (Préface, p. VI).

He argued that the inventory and subsequent classification of subjects and sciences had become essential since societies of the late 19th century were living through a period of transition and brutal acceleration of the progress of the sciences, a period in which actions and interventions should be tempered.

In the 18th century, an epoch which was destructive on the one hand and constructive on the other, the encyclopaedia had to be at one and the same time both a weapon of combat for destruction and a pulpit of doctrine for building; in our intermediate epoch in transition, the encyclopaedia must be

¹ "*La Grande Encyclopédie* is a work of noble popularization. It intends to account for the present state of modern science, and to draw up the inventory of human knowledge in our epoch. A stranger to present-day quarrels and resolved not to be an implement of battle, *La Grande Encyclopédie* is governed and can only be governed by the present state of science" (Préface, p. I).

² This was an implicit critique of Pierre Larousse's *Grand Dictionnaire Universel du 19e siècle*. The GDU was judged by the GE team as too ideological and subjective.

a work of exposition... our times are characterized by the full awareness of such a transformation, we are aware of this unceasing movement of things and beings (Préface, p. IX).

The encyclopaedia is thus conceived to be a rigorous instrument of moral and political reform which, through the positive and scientific education of the citizen, enables the reasonable accompaniment of progress, and the avoidance of the symmetrical pitfalls of reaction and revolution:

Is it not the peculiarity of our modern society to seek to rid itself little by little of the political forms of the past, which hinder the development of democracy, [and] to passionately engage in the search for a new distribution of social forces and economic elements, without, however, having given democracy its definitive form [nor] society this stable equilibrium between two feuding brothers who must be reconciled, Capital and Work? (Préface, p. IX).

14.1.2 Laveleye and the *Grande Encyclopédie*

Emile de Laveleye died in 1892 and could only participate in the first volumes of *La Grande Encyclopédie*. His participation was very minimal and seems (at first glance) to be limited to the writing of the entry “commercial crises”. When the first volumes appeared in the late 1880s, he did not write the important entries linked to “bank”, “credit” or even “political economy”. This sporadic collaboration could have had different causes and it would be unwise to attribute this situation to any particular one. Nevertheless, it should be remembered that his point of view, which was highly historicist and ultimately very sympathetic to German reformist socialism, went beyond the limits of the positivist and notably solidarist credo of *La Grande Encyclopédie*. Whereas Camille Dreyfus, who was responsible for the “political economy” section, defended the idea that “the physical world and the social world evolve unceasingly following identical laws, the infinitely slow and hardly perceptible effects of which are irresistible by their persistence in eternity” (DREYFUS, *Grande Encyclopédie*, vol. 14, p. 1087), Laveleye advanced, as we shall see, a very different proposition in the field of economics. The “Laveleye” entry in *La Grande Encyclopédie* thus puts him “at the extreme left of the socialism of the professorial chair”³ (vol. 21, p. 1056-1057). And in the entry on ECONOMIE POLITIQUE, André Berthelot’s judgement of Laveleye is far from positive:

In short, the principal French economist of the historical school is a Belgian, Laveleye. He developed its ideas in his work *De la propriété et de ses formes primitives* (1874). But, since, in *Les lois naturelles et l’objet de l’économie politique* (1883), he has split [from this school] through original

³ Socialists referred to as *Katheder Sozialisten* in German

yet highly contested and retrograde assertions. He denies the existence of the real economic laws, that is, [those which are] independent of the individual will; he thus refutes the scientific character of political economics, it is an art (“political economics”, *ECONOMIE POLITIQUE*, vol. 15, p. 495)

EMILE DE LAVELEYE

Emile de Laveleye was born in Bruges in 1822, trained in philosophy and law at the universities of Louvain and Ghent. His participation in the discussions of the *Société Huet*, between 1846 and 1851 marked the beginning of his intellectual training. Under the guidance of the philosopher François Huet (1814-1869), this intellectual circle was the Belgian birthplace of an original tradition of liberal socialism. Huet was a professor of philosophy at the University of Ghent who considered that the “new social dogma”, inaugurated by the 1789 Revolution and gropingly prolonged by socialist doctrines and experiments until 1848, did nothing but express the true demands and directions of Christianity. In *Le règne social du Christianisme* (1853), Huet attempted to define the relevant directions of this socialism, situated half-way between individual egoism and communism. He underlined the need for a radical redefinition of the property law which would guarantee a minimum of resources for everybody and thus liberties and autonomy for all. Moreover, this reform should also equitably regulate the distribution of resources and the retribution of every agent engaged in economic transactions (Bertrand 1907, Cunliffe and Erreygers 1999).

When Emile de Laveleye explained later that “democratized property must save democracy” (Laveleye 1878, p. 23), he was clearly asserting the Huet inheritance. He enriched this intellectual inheritance with the ideas of authors such as John Stuart Mill or Charles Dupont-White. From his earliest texts, particularly *Etudes historiques et critiques sur le principe et les conséquences de la liberté du commerce international* (1857), he criticized unconditional laissez-faire, writing “the doctrine of free trade in its absolute terms is, in theory, only true [given] two conditions: 1st that all men are owners; 2nd that all the Nations are united” (quoted in Mahaim 1892, p. 94). Laveleye was appointed professor of political economics at the University of Liège in 1864. As an essayist attracted to the most varied subjects⁴, he wrote for a large number of periodicals and published three major works on economics⁵.

The first edition of *De la propriété et de ses formes primitives* was published in 1874. Laveleye employed historical methodology in order to criticize judicial

⁴ Several works by Laveleye touch on the field of public law and political science (*Essai sur les formes de gouvernement dans les sociétés modernes* (1872); *Le gouvernement dans la démocratie* (1891)) as well as international relations and nascent nationalities (*La Russie et l’Autriche depuis Sadowa* (1870); *La péninsule des Balkans* (1886); *Lettres d’Italie* (1879), *Nouvelles lettres d’Italie* (1884)). He also wrote several major texts on the problem of religion, *Le protestantisme et le catholicisme dans leurs rapports avec la liberté et la prospérité des peuples* (1875); *De l’avenir des peuples catholiques* (1876).

⁵ We should also mention his works in rural economics (*Etudes d’économie rurale* (1865, 1869)) and the monetary field (*La monnaie et le bimétallisme international* (1891)).

and economic apriorism which leads to turning individual and hereditary property into a natural right. He noted that land ownership had been collective or semi-collective for a long period. Property is therefore an institution which is variable depending on time and place, and these collective choices, which enable different societies to guarantee a certain amount of usefulness and equity, constitute its true foundations. Rejecting approaches which consider that occupancy, work, contracts, convention or the law constitute the foundations of property, Laveleye contends that over time a 'rational' rather than a natural property right emerges: "the personal right of man in relation to nature, is to possess a sphere of action sufficient [for him] to draw from it his means of living" he wrote, adding:

the right consists in the set of conditions necessary for the physical and spiritual development of man, insofar as these conditions depend on the will of man. Property is the realization of the set of means and conditions necessary for either the physical or spiritual development of each individual in quality and quantity in keeping with his individual needs (Laveleye 1891, p. 557).

However, 19th century European societies abusively favoured an individual form of property leading to the radical and iniquitous increase in inequalities. As a consequence of the political revolutions, these societies simultaneously enabled the development of civil and political citizenships. Therefore, according to Laveleye, modern democracies run the risk of following the disastrous path which led the Ancient democracies to their ruin: "liberty and democracy cannot subsist without the equality of conditions" (ibid, p. XV). In a controversy with Herbert Spencer (Laveleye 1885), Emile de Laveleye embarked on a frontal assault on the tenets of a Darwinian programme favoured by economists of the period, reminding them of the rights and duties of an intentional regulation of the economy and society. He argued against the exclusive advantage granted, for ideological reasons, to the individual right to property and in favour of discovery, within an environment marked by the growth of industrial capitalism, of a wiser dosing of the individual and social dimensions of this right in order to encourage the development of a society which would be both efficient and equitable:

To my mind, modern democracies will only escape the destiny of Ancient democracies by adopting laws which have the effect of distributing property into a large number of hands, and establishing a great equality of conditions. This superior maxim of justice must be realized: To each according to his works, in such a way that property is truly the result of work, and that the well-being of each [person] should be in proportion to the contribution he brings to the work of production (Laveleye, 1891, p. XXI).

In *Le Socialisme contemporain* (1881), Laveleye would demonstrate that this reformist direction constituted the true aim of modern socialism. After underlining the soundness of the grievances of socialism against capitalism concerning such issues as competition, the alienation of workers, inequalities and other dominations, machines and working conditions in industry, he remarked that the socialist agenda could be resumed in two expectations: "firstly, any socialist doctrine aims to introduce more equality into social conditions, and, secondly, to realize those reforms through the action of laws or the State" (Laveleye 1885, p. IV). Recalling the unstable equation arising from the current co-existence of

democratic institutions and extreme social inequality, he pointed out that socialism and its ambition probably constitute the last hope of capitalism. Therefore socialism is a necessity as indicated by its history. For Laveleye the source of socialism is to be found in original Christianity perpetuated in the present by Protestantism not Catholicism (Laveleye 1875). It was from the religious socialism of the origins that the American and French Revolutions originated, and this movement of emancipation cannot stop at the gates of the economic and social world: "The equality of political rights inevitably leads to the call for the equality of conditions, that is to say well-being distributed proportionally to the work performed. Universal suffrage requires universal well-being as its complement" (ibid, p. XI). Laveleye argues that his historical movement and this necessity have been noted by "scientific socialism" and that the German Historical School is its most modern expression. He evokes the birth and development since 1872 of the *Verein für Sozialpolitik*, underlining the numerous contributions of Gustav Schmoller, Adolf Wagner, their colleagues and pupils as well as highlighting the precursory work of Dupont-White, before going on to indicate their rejection of economic orthodoxy:

on the contrary, they think that in the economic domain as amongst animals, in the fight for existence and the struggle of egoisms, the strongest crushes or exploits the weakest, unless the State, the organ of justice, intervenes to attribute to each what is legitimately his. They add that the State must contribute to the progress of civilization and accept as its principal mission the improvement of the moral, intellectual and material condition of the working classes. Finally, instead of professing, with the orthodox economists, that unlimited liberty is sufficient to put an end to social struggles, they claim that a series of reforms and improvements, inspired by sentiments of equity, is indispensable if one wishes to escape civil dissensions and the despotism which they bring in their wake. They admit that socialism has been truly useful in drawing attention to the evils and inequalities of the present social order, and in penetrating the souls of decent men with the desire to remedy them (ibid, p. 320).

In *Elements d'économie politique* (1883), Laveleye insists first and foremost on the moral and political dimension of economics. In France around 1880, the monopoly of the Liberal School in the teaching of economics was still absolute and the teachings of the *Kathedersocialisten* which were being discussed throughout Europe were still unknown. Against this background, Laveleye would present an extreme interpretation, which remained inspired by the initial direction of the teachings of Huet and the Historical School. He stated that this economic discipline has as its objective "the law or laws which should preside over the administration of goods in the city, that is to say society... The political economy is the affair of legislation. It pursues an ideal as do morals, law and politics" (Laveleye 1884, p. 2). Thus the economy is not a separate science set apart from the other sciences of society; it is in unceasing communication with history, statistics and geography. More fundamentally, however, it is subordinated to religion (or philosophy) and law. Concerning itself with the efficient administration of the city, it labours under the authority of philosophy and religion, both of which enquire into Good and Truth. If one blows the cobwebs off the teachings of these disciplines, one is told "that man must seek to entirely develop

all his faculties”, moral and intellectual as well as physical (ibid, p. 7). It follows that the economy also works in subordination to the Law which must sanction the teachings of religion (philosophy). Referring to the teachings of Bordas-Demoulin and Huet and to their credo relating to the complementary nature of the Just and the Useful, Laveleye adds: “every act of economic life is carried out under the authority of civil institutions, and every civil institution has economic interests as its ultimate reason” (ibid, p. 11). In opposition to the credo of orthodox economists, linked to the inheritance of thinkers from Malthus to Darwin (who Laveleye differentiates from Adam Smith and John Stuart Mill), Laveleye notes: “the laws with which political economics especially concerns itself are not the laws of nature; they are those enacted by the legislator” (ibid, p. 17). Economics is thus a normative science which can only be equipped to accomplish its mission by historical enquiry and rigorous observation. From Laveleye’s perspective, the historical method is not, however, a mere process of induction but a preliminary to the transformation of social situations. He explains that, in economics, it is necessary to “observe the facts, not to merely note them, after the fashion of naturalists, but to deduce [from this observation] which ideas and laws must be adopted so that men reach well-being, and, from there, perfection” (ibid, p. 32).

CRISES

Laveleye began his reflection on economic crises around 1860 associating the “regular and almost periodical return of these disastrous disruptions” (Laveleye 1865, p. 9), these “storms of the world of business”, to an alteration of circulation: crises are first manifested in a “profound disorder of the mechanism of exchange” (ibid. p. 107) the origin of which must be determined. In a period marked by the French lagging behind in innovative banking and financial matters, and during which, among the majority of liberal economists, a metallist conception of money was predominant as was widespread agreement concerning the *Banking Principle* (Breton 1997), Laveleye presented a flexible and pragmatic line of argument. He challenges the principle, which is specific to the *Currency Principle*, of a strict relationship between metal reserves and the emission of paper money, while symmetrically rejecting the arguments of the partisans of the Free Bank. He finally comes down in favour of a flexible regulation of the monetary supply, adapted to growth and its fluctuations. This direction guides him in the analysis of crises, the different climates of the money-market, its doldrums and hurricanes, which affect the economy. Yet, in agreement with his general conception of economics, moral and political science and historical science, Laveleye explicitly refutes the approach of Clément Juglar in which intangible economic laws are used to explain crises. For the Belgian economist, crises are events which are dependent on historical circumstances and institutions. It is therefore possible and necessary to regulate the rhythms of the money-market in order to smooth the growth of the modern economy. Laveleye advances that modern economies present three characteristics: they are economies of growth; this growth is more often than not based on credit (the metal base becoming progressively weaker); and they are open economies. This situation makes each economy vulnerable to the slightest

contraction of its circulation, and, at present, the major risk for each economy resides in its participation in international trade and in its balance of payments. Thus, in 1865, Laveleye principally relates the onset of crises to:

A disorder in the balance of external trade, acting on a market in which widespread credit and but little cash is used. Any country which does great business with little money, and which has a vast movement of importations and exportations, will be exposed to these economic disturbances... The more a country expels precious metals from the canals of circulation replacing them with the instruments of credit, warrants, transfers and clearing-houses, the more it develops, at the same time, its relations with foreign nations, the more it will also be exposed to the periodical return of financial disturbances, since it will be easier for unfavourable balances and exchange rates to shake the whole mechanism of exchange unless, in order to foil this, one directs redoubled caution, prudence and skill towards credit establishments (*ibid.*, pp. 128-129).

The appearance of these three remarkable historical circumstances is thus at the origin of crises:

1st The use of credit in all its forms; 2nd a market heavy with forward transactions and commitments of all sorts: subscriptions to public loans [emitted by] the State or towns, to bonds or shares in large companies, works of improvement and construction undertaken by private individuals, etc; 3rd disorder in the balance of payments which requires the exportation of a notable quantity of cash to be taken from a circulation which only just possesses the necessary [amount] (*ibid.*, p. 149)

Since the crisis is the consequence not of natural economic laws but of historical circumstances and the institutional milieu, regulation is possible. As early as 1865, Laveleye mentions several means of “prevention”, highlighting the important role of the Central Bank: the maintenance of a comfortable metallic base, the modulation of the official discount rate and the increase of interest rates.

In the late 1880s, when Laveleye wrote the entry for “Crises” for *La Grande Encyclopédie*, the basis of his explanation remained the same: “economic crises are serious disturbances of a system of exchange based on credit” (Laveleye, *Grande Encyclopédie*, vol.13, p. 380). However, the historical context had evolved. During the early 1870s a long depression had begun, seemingly invalidating Clément Juglar’s analysis in terms of the short cycle and its reassuring periodicity. French economists discussed Juglar’s thesis and demanded a complement that would analyze these longer and more profound depressions of a new type (Breton 1997). Diagnoses diverged with certain economists highlighting structural non monetary factors, such as innovation in the area of transport; other economists explained the depression using monetary factors – an insufficient availability of currency resulting, in particular, from the demonetisation of silver since the beginning of the 1870s and the decrease in the production of gold. Laveleye adopted this last point of view which was also defended by his colleague Alphonse Allard, director of the mint at Brussels (*La crise, la baisse des prix, la monnaie*, 1885). He enriched several elements of his analyses. In the first instance, he presents a typology of the

crises, distinguishing “commercial and monetary crises” from “industrial crises” (which only strike a limited number of industrial sectors) from “stock market crises or crashes” (speculative crises limited to a single product such as the tulip in Holland in the 17th century, for example). The “commercial and monetary crises” are, however, the largest and Laveleye seems to introduce a distinction between commercial crises and monetary crises. According to Laveleye, the commercial crisis, which is regular and *almost* conforms to a ten year interval, presents a quite typical morphology within which he distinguishes three principal phases. The “preparation” phase sees investment opportunities materialize. Innovations are numerous, new outlets open and savings are available; then “economic progress is accomplished calmly and without jolts” (ibid, p. 380). But rapidly, during this growth, credit facilities encourage speculative phenomena;

when one obtains money cheaply, a large number of enterprises become possible which were not before. Thus, capital solicits the spirit of enterprise which sets itself in motion with growing activity which sometimes becomes feverish... What singularly encourages this expansion and overexcitement is the use of credit (ibid. p. 381).

However, this “period of expansion” gives way quite rapidly to the “period of contraction or revulsion”. The speculative process reaches its limits, confidence crumbles and the system becomes vulnerable to the slightest shock; finally, credit diminishes triggering the crisis:

credit was the means of exchange and payment used by everyone, but in these moments of crisis mistrust is communicative, and rightly so, for one can never know who will weather the storm and remain standing. It ensues that credit tightens, shies away or even absolutely refuses [to be given]... Economic life is, so to speak, suspended because exchange, which is its essential cog, has stopped (ibid, p. 381).

To these “commercial crises” Laveleye adds “monetary contraction crises” which enable the explanation of larger depressions, such as the one which began about 1870. Contrasting the two crises, he notes “if one wishes to compare the illnesses of circulation to those of the human body, one can say that the former have the characteristic of an inflammation and the latter that of anaemia”. Monetary crises are thus of longer duration. The “languidness” of business might spread over ten years or more as happened between 1820 and 1830 and between 1874 and 1889. These crises are not due to a partial or generalized excess of production, but to an insufficient supply of currency in relation to potential economic activity. Laveleye thus attributes these periods of languidness “principally to the insufficiency of cash relative to the prodigious growth of economic activity” (ibid, p. 384). Ultimately, for Laveleye, commercial and monetary crises arise from the same cause: the difficult regulation by existing institutions of credit and currency in a growth economy. Laveleye terminates his reflection on crises with a “technical” chapter devoted to “remedies to prevent crises”, remedies inspired by science, for States and individuals.

1st Do not excessively reduce the metallic basis of circulation (...). 2nd In moments of expansion, do not join forces with the movement by buying a lot of securities and goods on credit. This remedy depends on the prudence of private individuals. 3rd Raise the discount rate in time... Science, by

studying the causes of phenomena, and wisdom, by applying the remedies which it indicates, can do much to prevent or attenuate the economic evils from which nations suffer (ibid, p. 384).

When it came to giving his verdict on the monetary and commercial crisis experienced by the Belgian economy in the mid 1880s, Laveleye was even more precise and ambitious: in this instance, his reflections on crises, their causes and their remedies were at one with his general conception of the political economy. The general cause of crisis resides in a deficit of monetary resources mainly resulting from the abandonment of money and bimetallism: the crisis is thus “the product of ill-inspired human legislations” (Laveleye 1897, p. 207). Considering that a different political management of currency was needed Laveleye would remain a fierce partisan of bimetallism. Thus the reflection on crises offered by Laveleye is also linked to his reflection on the articulations between economics and politics, growth and democracy. The crisis shines even more light on the problem encountered by modern societies which support democracy while their economic liberalism and the wish for non regulation lead to the widening of inequalities and the vulnerability of the populations of workers. The crisis should therefore become the urgent opportunity to revisit this democracy-inequality hiatus. One must prepare or reinforce democracy (this is the present-day mission of the bourgeois elite, according to Laveleye): “I assume the most radical democracy” (ibid, p. 193). This democracy requires free, compulsory, generalized instruction as well as other laws: “this is not almsgiving, but the creation of institutions destined for the intellectual and moral development of the working class” (ibid, p. 198). Amongst these institutions “generalized insurance, an application of the principle of human solidarity” (ibid, p. 201) should be favoured. By means of a policy of great works, the State must also come to the aid of the populations made the most vulnerable by the crisis. Finally these combined advances in democracy and a more humane and fraternal economy must eventually enable the development of a more participative economy with broader foundations in dialogue and negotiation. Laveleye explains that, to achieve these aims, the expansion of boards of arbitration and conciliation must be favoured in order to enable the emergence of negotiated regulations of work and to encourage the experimentation of cooperative societies.

Laveleye was “a sower of ideas” who provided an overall vision of the evolution of late 19th century capitalism in his numerous essays, articles, brochures and books. He was a distinguished representative of liberal socialism and a partisan of the market economy who also demanded vigilant regulation and control of its growth. His theory of crises is an integral part of this overall vision. In Laveleye’s work the crisis is definitely not a normal phenomenon or a natural and periodical rhythm of growth (progress in contemporary terms). He held that the crisis is an evil which can and must be prevented and permanently cured. His analysis of

crises tracks this evil in its different forms in the economic system of his time, forms which he distinguishes, classifies and differentiates. This typology put him on the trail of numerous innovations – he is one of the first to clearly differentiate crisis and depression [renvoyer ici au chapitre 2 du volume, « Naming Crisis » et à la section sur crise/dépression]. For Laveleye the crisis is an evil for two reasons. The first reason is economic and social, for the crisis is of absolutely no material benefit to anyone – it is not, for instance, a salutary purge periodically giving new vigour to the economic organism – it is characterized by a large amount of waste, material losses and social suffering. The second reason is political and moral, for if crises occur it is by error, because of political immaturity and bankruptcy. In Laveleye's vision all types of crisis are accidental and avoidable. Yet the regulation of the crises which punctuate the development of the market economy can only stem from a strong political power, that is, in Laveleye's terms, a democratic one. Laveleye's conception of economic crises is an integral part of his more general reflections on the affinities to be cultivated between growth and democracy.

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