Journal of Libertarian Studies
Volume 25, No. 1 (2021): XXX–XXX

Mises, Borges, Mariana, and Cervantes: When Liberal Politics and Economics Are Serious Fiction

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> "Literature is not conformism, but dissent. Those authors who merely repeat what everybody approves and wants to hear are of no importance. What counts alone is the innovator, the dissenter, the harbinger of things unheard of, the man who rejects the traditional standards and aims at substituting new values and ideas for old ones. He is by necessity anti-authoritarian and anti-governmental, irreconcilably opposed to the immense majority of his contemporaries."
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> —Ludwig von Mises, *The Anti-Capitalistic Mentality*

Christopher Roelofs, *Don Quijote and Aristotle* (2015), pencil on paper, author's collection.

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Within such humanist academic fields as liberal arts or cultural studies, the subfield of literature is among the more unassailable leftist strongholds. Conservative, libertarian, and classical liberal scholars exist, such as Paul Cantor, Stephen Cox, Darío Fernández-Morera, and Martín Krause, but they're vastly outnumbered. On the right, this is because the study of literature is not lucrative and because it's viewed as too messy for reason-based analysis. On the left, this is because Marxist theory soothes the resentments of its rebellious minions, granting them a scientific superiority by which they can presume to know more about a text's historical circumstances and sociopolitical implications than even its own author. Adding to this cognitive allure is the common notion that intelligent people are progressive and the corollary that literary analysis should be a catalogue of leftist grievances, i.e., a means of disclosing cases of racism, sexism, and economic exploitation. Hispanic studies is perhaps more acutely leftist than most areas of study, thanks to the Spanish Civil War and Latin America's endless flirtation with Marxist regimes. In this essay, the aggressive but dialogically respectful spirit of Austrian economist Ludwig von Mises (1881–1973) will be evoked in order to suggest some ways to respond to Marxist academics when thinking about two of Hispanic literature's greatest storytellers, Jorge Luis Borges (1899–1986) and Miguel de Cervantes (1547–1616), and Spain's greatest early modern historian, Juan de Mariana (1536–1624).[1]

As a primer, readers might consider two ideologically distinct theoretical paradigms for thinking about literature. In his book *The Anxiety of Influence* (1973), Harold Bloom describes the advent of English literature as the textual record of the lyrical power of William Shakespeare. For Bloom, literature as a field—especially nineteenth-century poetry by William Blake, Lord Byron, Samuel Taylor Coleridge, John Keats, Percy Shelley, and William Wordsworth—involves a network of authors locked in their respective struggles to imitate, co-opt, and transform various aspects of the Bard's insurmountable style. Bloom's view implies that although

[1] This essay accords with Cantor's readings of Percy Shelley and Thomas Mann and Cox's reading of Joseph Conrad, and it supplements the themes and bibliographical connections in Krause's reading of Borges and Fernández-Morera's reading of Cervantes. However, it will also address the longer history of fictional narrative. A version of this essay was delivered at the 2018 annual meeting of the Mont Pelerin Society. All translations from Spanish are the author's unless otherwise indicated.

literature evolves over time, its development as an academic field coincides with the rise of the national languages of modern Western Europe. Implicit, too, is literature as a kind of self-regulating universe that assigns aesthetic statuses to authors according to their ability to compete with an original model. Thus, medieval and early modern figures such as Dante, Shakespeare, Cervantes, and Michel de Montaigne—authors who tower over entire genres, epochs, and civilizations—are singularities shadowed by a series of devastated heirs. Bloom's vision is tragic, conservative, and elitist. Literature is a matter of great writers and the rivalries among their successors. Everyone else can pack their bags and go home.

Bloom's theory mirrors both Mises's and Karl Marx's visions of labor's experience of the free market. People compete or they fail, and even when they compete well, a lot of them still fail, and a lot of them resent it. It should not be surprising to find at the other end of the ideological spectrum from Bloom that most Marxist critics embrace the same basic contours of his model. For them, the nineteenth century represents the same explosion of national literatures construed in relation to the same medieval and early modern archetypes. Marxists, however, adopt a negative tone when describing a phenomenon that they associate with the rise of the myopic and nationalistic bourgeoisie to its unjustifiable position of social and political supremacy.

As usual, Marxists are ahead of everyone when it comes to having a more seductive and ostensibly more meaningful theory about their object of study. It is also to their credit that they do not tolerate the foolishness of traditional approaches to literature that scuttle themselves with solipsistic notions of "art for art's sake." Marxists are not satisfied by what they see as bourgeois escapism masquerading as a quest for truth, beauty, or goodness, and they do their homework in their efforts to relate art to social and historical controversy. There are exceptions, but over the past two centuries of literary studies, conservatives have usually been superficial, sentimental, and respectful of great writing, whereas Marxists have been analytical, methodical, and dismissive of greatness. As examples, Thomas Piketty uses Jane Austen, Honoré Balzac, and F. Scott Fitzgerald to argue that return on capital is too high; Terry Eagleton characterizes all literature as the bourgeoisie's avoidance of its responsibility for exploiting everyone else, with the predictable exceptions of Henrik Ibsen, Berthold Brecht, and Jean-Paul Sartre; and Georg Lukács

examines the origins of the modern novel as a function of mercantile personalities rising in dialectical fashion to replace the static aristocratic heroes of feudal epics.[2]

It is helpful not to lose sight of the fact that Marxists claim that the bourgeoisie plays a critical role in the invention and dissemination of creative literature. Since Marxists dominate academia, they press their advantage and use literature to highlight ethical contrasts that serve their agenda, which—no matter how scientific and objective their tone—is to savage the bourgeoisie. Thus, when thinking about responding to Marxist literary theory, its ideological conclusions can be rejected without ignoring its essential points regarding the history of literature. Paul Cantor's simple advice should be embraced: "The most effective way to counter the negative effects of Marxist literary criticism is not to deny that economics has any relevance to literature, but to substitute sound economics for unsound, to offer a positive alternative to Marxism for relating literature and economics" (Cantor 2009a, 7).

It is also helpful to recall that the Austrian school provides a brief, yet solid cornerstone for reconstructing a classical liberal theory of literature. Mises's "Remarks about the Detective Stories," found in three short pages of *The Anti-Capitalistic Mentality* (1956), is an impressive bit of anti-Marxist jujitsu. Mises (2008, 53) argues that the clichés of the detective story from the first half of the twentieth century mark the genre as "the artistic superstructure of the epoch of labor unionism and socialization." The felons are often corporate bosses or the sons of financiers, and the heroic gumshoe is the only one who can expose their guilt by ignoring the allure of their wealth and status. The self-righteous plots and targeted lawfulness of these stories happily invert the self-loathing thoughts of their most passionate readers:

> [T]his reader is the frustrated man who did not attain the position which his ambition impelled him to aim at…. he is prepared to console himself by blaming the injustice of the capitalist system. He failed because he is honest and law-abiding. His more lucky competitors succeeded on

[2] Cantor notes that even though Lukács argued "that Mann had succeeded in embodying in his works a true reflection of the contradictions in bourgeois society," in point of fact "the problems in bourgeois society Mann portrays are not the ones typically analyzed by Marxist economists, but rather those the Austrians highlight" (Cantor 2009b, 435, 467). Lukács performed this same bait and switch in his analysis of Cervantes.

> account of their improbity; they resorted to foul tricks which he, conscientious and stainless as he is, would never have thought of….
>
> The unmasking of the crook who passes himself off as a respectable citizen was, with a latent anti-bourgeois tendency, a topic often treated also at a higher literary level, e.g., by Ibsen in *The Pillars of Society*…. The detective's motive is a subconscious hatred of the successful "bourgeois." His counterparts are the inspectors of the government's police force. They are too dull and too prepossessed to solve the riddle. It is sometimes even implied that they are unwittingly biased in favor of the culprit because his social position strongly impresses them. The detective surmounts the obstacles which their sluggishness puts into his way. His triumph is a defeat of the authorities of the bourgeois state who have appointed such police officers. (Mises 2008, 53–54)

Many find such detective tales delightful without endorsing their bias; but others find satisfaction in fictions that confirm their deluded visions of how the dastardly capitalist world always works against them. Fans of such TV shows from the seventies as *Columbo* or *Scooby-Doo* will get the idea. For Mises, the nabbing of arrogant rich criminals grants the syndicalist-leaning consumer of early twentieth-century detective fiction a level of joy, control, insight, and knowledge that he lacks in real life. *Columbo* kneads in a famous guest star as the guilty party, i.e., the viewer also gets to fantasize about avenging the unjustified wealth and success of a Hollywood brat. The anticapitalistic and antimeritocratic tone of these stories soothes the anxiety experienced by anyone aggrieved by having to struggle in the unforgiving, competitive world of the bourgeoisie. The same frustrated reader or viewer may have children, and writers of early morning cartoons indoctrinate them with the same resentment. Viewers of *Scooby-Doo* are meant to identify with hippies (lumpen-proletariat) who just want to smoke weed, eat pizza, and surf, and who therefore despise and expose evil factory owners (bourgeoisie), who just want to get rich by polluting the beach with their toxic waste by-product.

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In the field of modern Hispanic literature, few authors rival the genius and wit of Jorge Luis Borges. A traditional view asserts that Borges was modernist and Romantic, always urging his readers to overcome the boredom of their daily lives, to contemplate the wondrous mysteries of the universe (see Shaw 1992). But Mises's theory of the detective story helps us discern a layer of thoughtful sophistication lodged in the debonaire creativity of his stories. Echoing a core perspective of classical liberalism, Borges weaves

tales that emphasize unknowable complexity in lieu of logical and causal patterns. Keeping this in mind not only makes his fiction more accessible, but also dovetails with his English heritage and his famous skepticism regarding the Cuban Revolution.

Admirers of Mises should be admirers of Borges not just due to the Argentine's anarchical disdain for governments and politicians. For example, anticipating Mises's remarks on detective fiction by eight years, Borges's brutal parody of the genre in his short story "Death and the Compass" (1948) counters its debasement by socialists and syndicalists. The hyperpositivist detective Erik Lönnrot is the epitome of intellectual arrogance; the police chief Treviranus is a sluggish and corrupt bourgeois appointee on the surface, but he correctly diagnoses the nature of the crime; and in the end, when Lönnrot is killed, it is poetic justice against readers seeking self-satisfying victories over aristocratic or capitalist owners of imaginary mansions south of Buenos Aires.

> Lönnrot thought of himself as a pure thinker, an Auguste Dupin, but there was something of the adventurer in him, and even of the gamester….
>
> "There's no need to look for a Chimera, or a cat with three legs," Treviranus was saying as he brandished an imperious cigar. "We all know that the Tetrarch of Galilee is the possessor of the finest sapphires in the world. Someone, intending to steal them, came in here by mistake. Yarmolinsky got up; the robber had to kill him. What do you think?"
>
> "It's possible, but not interesting," Lönnrot answered….
>
> "Scharlach, when, in some other incarnation you hunt me, feign to commit (or do commit) a crime at A, then a second crime at B, eight kilometers from A, then a third crime at C, four kilometers from A and B, halfway between the two. Wait for me later at D, two kilometers from A and C, halfway, once again, between both. Kill me at D, as you are now going to kill me at Triste-le-Roy."
>
> "The next time I kill you," said Scharlach, "I promise you the labyrinth made of the single straight line which is invisible and everlasting."
>
> He stepped back a few paces. Then, very carefully, he fired. (Borges 1974, 499–500, 507)

The labyrinth is the symbolic means by which Borges reclaims an entire genre from its linear perversion. The Triste-le-Roy mansion implies Marxian certainty about the guilty rich according to the historical march of dialectical materialism. The parallel between the mansion and the Zenonian labyrinth implies Hayekian uncertainty and humility before the dispersed and unattainable nature of absolute knowledge. And uncertainty and humility allow more

mysterious and unverifiable causes for the production, or even the possession, of wealth.

Borges's father was half English, and he grew up speaking English in addition to Spanish. The sources of his ironical and evasive approach to detective fiction include Edgar Allan Poe and Joseph Conrad. Libertarian literary critic Stephen Cox (2009, 396) sums up Conrad's ironic subversion of the protocols of crime stories as follows: "Information has a cost … in any social or economic system. Conrad dramatizes this axiom by making *The Secret Agent* a peculiarly inconclusive novel of detection, a novel in which everyone is too enmeshed in the web of causation to see to the end of more than one short strand." Borges is up to the same game, except that he adds a dose of Poe whereby the detective's only true discovery is that what he thought was a crime, his antagonist has constructed as revenge. Here is the bourgeoisie as its own worst enemy, for the mere existence of a social order that creates wealth and prosperity also spawns an implacable resentment which even the most reasoned political or economic discourse can never overcome. And there's another irony: the reason a free market economy works is precisely because its mechanisms cannot be detected and thereby controlled, and yet therein lies the reason so many are so instinctively unwilling to accept it. As more than a century of fading per capita GDP growth in Argentina demonstrates, a whole lot of people fall prey to zero-sum thinking. Most would rather be worse off than let someone else get away with what they imagine to be the crime of creating wealth at their expense (see Schumpeter 1942).

Another spectacular example of Borges's classical liberal perspective on the largely invisible mechanisms of a spontaneous free market economy is the narrative poem "The Lacquer Cane" (1981).[3] First, recall Adam Smith's (1976, 477) famous articulation of the indirect nature of the free market: "[B]y directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was

[3] The author wishes to thank Professor Krause for pointing out the economic and ethical implications of Borges's "The Lacquer Cane" as well as many other texts (see Krause 2021). One could also read the short story "The Garden of the Forking Paths" (Borges 1974, 472–80) as an impressive display of the Austrian "praxeological" dictum that life is but a series of opportunity costs.

no part of his intention." It's easy to see a meditation on Smith's metaphor when Borges's narrator describes his hand on the lyrical cane. He soon articulates another very Smith-like idea, namely, that trade promotes social harmony by allowing necessity and desire to overcome the politics of religious, national, racial, and linguistic identity. Commerce in Borges's view even transcends time and space.

> I look at it.
>
> I think of the artisan who worked the bamboo and who turned it such that my right hand can fit just right onto the handle.
>
> I do not know if he is still alive or if he has died.
>
> I do not know if he is a Taoist or Buddhist or if he examines the book of the sixty-four hexagrams.
>
> We will never see each other.
>
> He is lost among nine hundred and thirty million people.
>
> Something, nevertheless, binds us together. (Borges 1989, 330)

An aspect of Borges's genius here is the way he materializes Smith's invisible hand and then makes that hand the recipient of the complex supply chain of the unknown producer. In this multiplicity of invisible hands, the poem is like Leonard Read's essay "I, Pencil." Moreover, due to its receptive nature, and contra Smith's promotive hand, Borges's hand is emblematic of the counterintuitive insight by the Salamanca and Austrian schools of economics regarding what every business owner knows by experience: production costs are not objective but, rather, subjective, i.e., determined by what other people are willing to hand over for all the goods, materials, and services that any given business needs in order to be viable. On top of all this, Borges conjures and embodies a spectacular metaphor for the spontaneous order of the bourgeois world: a blind author writes about a man eyeing his cane and marveling at the skill of its maker. On a cerebral level, this reads like a classical liberal appropriation of Plato's allegory of the cave for Borges ironically "sees" the true nature of bourgeois reality only by feeling it with his hand. On an equally important satirical level, the free market offers myriad benefits, and yet, tragically, many still blindly take it for granted. To put it another way, Marxists claim to see reality for what it really is, but they sustain this claim by remaining blind to its complexity.

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More than three hundred years before Mises and Borges, another pair of intellectual giants, Juan de Mariana and Miguel de Cervantes, challenged the reigning ideology and the literary conventions of late Renaissance Spain.[4] Specifically, Cervantes's great novel and Mariana's historical and political treatises challenged Habsburg authority, which was supported by elites at court, as well as the Inquisition.

By "reigning ideology" is meant the early modern authoritarianism that grew significantly after 1559, when Philip II recalled Spanish students from the rest of Europe, purged the Spanish Erasmians from positions of power, and burnt Protestants at the stake in Seville and Valladolid. This process was advanced by such men as Fernando de Valdés, the grand inquisitor and president of the Royal Council of Castile during the reign of Philip II, and Francisco Gómez de Sandoval y Rojas, the Duke of Lerma and Philip III's *valido*, or "chief minister." These men advocated the erosion of traditional forms of conciliar governance in Castile, the consolidation of Habsburg power across Iberia, and the extension of bureaucratic control over such practices as printing, religion, justice, trade, and migration, as well as a major ethnic cleansing campaign and a number of wars across Europe and overseas.

The phrase "reigning ideology" also implies its antithesis. There is a general philosophical strain of libertarianism that entails simple but courageous resistance to a majority's insistence on universal conformity. Academics routinely pooh-pooh the parallel, but the Inquisition anticipated today's priggish socialism. Requiring writers, singers, or directors to anticipate the intimate moral or social expectations of their public; cancelling the careers of those who voice opposition to hegemonic opinions; or accepting the mass hysteria regarding such puritanical fictions as the supposedly

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[4] Cervantes's parody targets multiple popular narrative genres and modes of storytelling. The first is the epic escapist literature of chivalric novels as per the criticism of that genre by both Scholastics and humanists. There are many more, such as folklore, hagiography, sentimental romance, and even depositions of freed prisoners returned to Spain. Lope de Vega's apologetic representations of the alliance between commoners and the crown in his tragicomedies is yet another target. These genres are usually less satirical and less sociopolitically confrontational than Cervantes's oeuvre, and when some of the more sophisticated representatives of these precursor texts are indeed critical, Cervantes follows their lead and pushes their limits.

racist assault on voting rights, the unquestionable effectiveness of government health policies, or the apocalyptic threat of global warming all recall the rise of authoritarian orthodoxy in Spain during the second half of the sixteenth century (see Liggio 1990). This does not mean that other periods of history in other places do not exhibit the same mob-like mentality—examples include the Salem witch trials, the Reign of Terror, the Red Scare, race riots, and any number of socialist and fascist revolutions—but discussion of Cervantes and Mariana requires this specific example.

A major reason Hispanic literature is important is because the novel form initiated its modern rise in *Don Quijote de la Mancha* (1605, 1615). But the literature of Renaissance Spain is also important because it offered a parallel medium by which classical liberal and Austrian theorists could trace parallels and quite possibly even some of the roots of their philosophies back to the School of Salamanca, which for its part provided grounds for a lot of critical modern thinking about politics and economics. The Austro-Hungarian Empire of the late nineteenth and early twentieth centuries remains an overlooked conduit of late Scholastic thinking about politics and economics in Habsburg Spain. This trajectory can be sensed when Austrian author Robert Musil alludes to the paintings of El Greco and Velázquez and co-opts the narrative techniques of *Lazarillo de Tormes* and *Don Quijote* in his novel *The Man without Qualities* (1943). Carl Menger, Bernard Dempsey, Joseph Schumpeter, and their followers suggest similar historical continuities in the fields of economics and politics when they cite precursors such as Sebastián de Covarrubias, Juan de Lugo, Luis de Molina, and Juan de Mariana. So, we are not merely appreciating the commercial world through popular culture (see Krause 2021); nor is this just a question of grasping that certain literary forms mirror the "ordered disorder" of a marketplace or a parliamentary body. Rather, the novel is itself an institution that incorporates certain economic and political principles into its agenda, and at a conscious level that most political economists and literary theorists remain reluctant to appreciate.[5]

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[5] The connections between the Austrian and Salamancan schools of political economy are more substantial than many realize. Reviewing the history of monetary theory in an appendix to his *Principles of Economics* (1950), Carl Menger, founder of the Austrian school, cites the collection by René Budel (*De monetis et re nummaria* [1591]), which influenced the classical economists of the eighteenth

century and which contained the Spanish late Scholastic Diego de Covarrubias's treatise *Veterum collatio numismatum* (1556). Juan de Mariana cites Budel directly in his *De monetae mutatione* of 1609. Among scholars affiliated with the Austrian school, Bernard Dempsey in his *Interest and Usury* (1943) compares Jesuit criticisms of the usury ban penned by Spaniards Luis de Molina and Juan de Lugo and the Fleming Leonard Lessius to the theoretical investigations of such economists as Mises, Knut Wicksell, F. A. Hayek, and Schumpeter. Schumpeter is perhaps most responsible for establishing the connection between Austrians and Salamancans. He wrote the introduction to Dempsey's book and devoted a lengthy section of his *History of Economic Analysis* (1954, 91–112, 312) to the late Scholastics, especially Lugo and Molina, crediting them with sophisticated economic analysis that anticipated a causal theory of interest and hinted at Menger's marginal utility theory of value. Other scholars whose work has variously indicated or suggested this trajectory include Raymond de Roover, Marjorie Grice-Hutchinson, Murray N. Rothbard, Jesús Huerta de Soto, Alejandro Chafuen, and André Alves and José Moreira. For a review of the debates about both the relative influence of the School of Salamanca on the Austrian school and just how oriented the late Scholastics were toward the free market, see Michael D'Emic's (2014, xv–xxx) introduction to his study of marketplace theory in early modern Spain. For the influence of the Scholastics, in particular Mariana, on such economic luminaries as Samuel von Pufendorf, Anne-Robert-Jacques Turgot, Locke, Menger, and the latter's mentor, the economic historian Wilhelm Roscher, see Calzada (2008). For an argument in favor of the Spanish roots of the Austrian school, see Huerta de Soto (2009). Salamancan anticipations of modern political rights theory are less controversial. In the twentieth century, scholars as diverse as James Scott (1934), Johan Huizinga (2014), and Leonard Liggio (1990) credited late medieval Spaniards with the invention of international law. In terms of statecraft, whereas neo-Platonic theorists such as Niccolò Machiavelli, Jean Bodin, and Thomas Hobbes mounted defenses of authoritarianism, many Salamancans emphasized conciliarism and structural and legalistic constraints on princely power. Francisco Suárez influenced the Fundamental Orders of Connecticut (1639), and in his *Two Treatises of Government* (1689) Locke was responding to Robert Filmer's harsh criticism of Suárez. It is well documented that Mariana was read by such rebellious jurists and statesmen as Jefferson, John Adams, Madison, Locke, Cromwell, and Hugo Grotius. For the ideological and textual parallels between the antimonarchical radicalism of late Scholasticism and the antiauthoritarianism of both Puritans and classical liberals, see Calzada (2008); Schumpeter (1954, 92), Rothbard (2006, 117–22, 314), Skinner (1998; 2000, 173–74), Ángel Fernández Álvarez (2015, 2017), and Graf (2011, 2014, 2018, 2021). An important missing link here is Alexis de Tocqueville. A forthcoming essay by this author will address Tocqueville's scholastic vision of social and political institutions and his use of Don Quijote as a liberal archetype in *Democracy in America* (2013). Finally, on more than one occasion Hayek tied his lifelong emphasis on spontaneous order as opposed to positivistic laws and market regulations to the Salamancans. In his Nobel Prize speech, for example, Hayek (1974) warns against the social and economic destruction wrought by failures to accept the limits of human knowledge, citing Molina and Lugo and tipping his hat to the late Scholastics: "[T]he chief point was already seen by those remarkable anticipators of modern economics, the Spanish schoolmen of the sixteenth century, who emphasized that what they called *pretium mathematicum*, the mathematical price, depended on so many particular circumstances that it could never be known to man but was known only to God."

El Greco, *Portrait of Sebastián de Covarrubias* (c.1600), wikiart.org.

All of these connections aside, however, the approach here is more comparative and supplemental than influential or causal. Historical parallels are being traced between two periods in which economic theory and literary fiction exhibit similar tendencies to criticize centralized authority in defense of liberty. Whether classical liberals and Austrians found confirmations of their intuitions in the work of Salamancans or, rather, were directly or indirectly driven toward their conclusions by that work is not of concern here. In sum, just as John Locke helps us to understand Daniel Defoe and Mises helps us to understand Borges, the late Scholastics of the School of Salamanca, and in particular Juan de Mariana, help us to understand Cervantes. More specifically, if Mises allows us to describe an often-hidden classical liberal agenda in Borges, Mariana reinforces the idea that Cervantes wrote against the specific policies of the Habsburg court of Philip III. In fact, the situation is one of even more direct contact and influence, as Cervantes and Mariana appear to have read each other quite carefully (see Graf 2018).

There is continuity between Mariana and Cervantes, on the one hand, and among subsequent generations of classical liberals,

on the other, regarding a range of topics. Three major examples are nostalgia for conciliar government, resistance to monarchical tyranny, and opposition to inflationary monetary policy. Each of these topics was important for Mariana and Cervantes, and all three appear, for example, in *The Federalist Papers*. For Alexander Hamilton, James Madison, and John Jay, a major point of the American War for Independence was to reestablish proper parliamentary procedure and institutional resistance to the tyrannical abuses of a monarch who had corrupted the juridical and legislative institutions of England. Classical liberalism's general desire to contractually resist regal tyranny can be traced from the Magna Carta to the US Constitution. Similar, if weaker, traditions in continental Europe tended to emphasize the philosophy of Aristotle over that of Plato (see Liggio 1990; Skinner 1998).

As for the advantages of political assassination, experience shows that imposing costs on people who act tyrannically is vital to the preservation of liberty. Classical liberals such as Thomas Paine and Thomas Jefferson applauded political violence and brandished a particular animus toward England's George III in the Declaration of Independence and *Common Sense*. It is also hard to separate their attitudes from the fate of Louis XVI during the French Revolution that so enthralled them. Similarly, Puritan rebels such as Olive Cromwell and John Winthrop shed no tears for England's Charles I. There was common ground philosophically regarding the killing of kings among Calvinist monarchomachs and many Jesuits. Francisco Suárez's popularity among the earliest Calvinist colonists of North America is a measure of the extent of their affinity for Jesuit hostility toward monarchs. This places an antimonarchical animus at the traditional foundations of American democracy and it establishes a common source for this animus in the historical and ideological vicinity of Mariana and Cervantes. The practice of killing kings can also be viewed culturally. Historians often note that the Spanish did not behead their sovereigns as did the French and the English. And yet Mariana made the argument that tyrants should be killed occasionally as a preventative, and Cervantes turned regicide into a recurring theme in his prologues to *Don Quijote*.

As for debasing the currency, the practice has been defended or else viewed with ambivalence by everyone from revolutionaries such as Vladimir Lenin to liberal and conservative pragmatists such as Hamilton, Mark Twain, John Maynard Keynes, and Richard

Nixon, and a range of modern theorists mostly on the left, though not exclusively so. Classical liberals were interested in this topic as a basic governing dilemma, in many cases, perhaps most famously Jefferson (but not Hamilton), viewing it as only ever a kind of moral transgression. The issue involves both the relative stability of the money supply and the ethical grounds for its debasement.

Specifically, the three main examples of political and economic attitudes that characterize both Mariana and Cervantes are: 1) nostalgia for the older parliamentary governing traditions of medieval Iberia, 2) approval of the recourse to political assassination by the monarchomachs, and 3) disgust with the Habsburg policy of extracting silver from the Spanish coinage. Mariana began to articulate radical theoretical points of view on these three topics as early as the 1598 and 1605 editions of his princely advice manual *De rege et regis institutione*.

(1) Mariana (1981, 93–94) laments Philip II's repression of the Cortz of the Kingdom of Aragón:

> [T]he Aragonese thought similarly, being so zealous in the defense of their liberty that they believe all liberties are diminished at the slightest concession. And thus, the Aragonese established an intermediate body between the king and the people, similar to that of the tribunes, popularly known as the Justice of Aragon, which, armed with the laws and the authority of the people, would keep royal power within certain limits.

(2) Mariana (1981, 148–49) defends and even encourages the practice of killing kings who become tyrants:

> If circumstances require, and the commonwealth is not able otherwise to protect itself, it is right, by the same law of defense and even by an authority more potent and explicit, to declare the prince a public enemy and put him to the sword…. It is a salutary reflection that the princes have been persuaded that if they oppress the state, if they are unbearable on account of their vices and foulness, their position is such that they can be killed not only justly but with praise and glory. Perhaps this fear will give some pause lest they deliver themselves up to be deeply corrupted by vice and flattery; it will put reins on madness.

(3) Mariana (2021, 239) exposes the Habsburg policy of currency manipulation as tyranny because it was the illegitimate theft of the property of Spanish citizens. This is particularly the case because the tax was implemented without consent and wasn't justified by any sufficiently existential threat:

> [A] king cannot debase the coinage arbitrarily and without the consent of the people. It, too, is a kind of tax by which an amount is extracted from the possessions of subjects.

The symbolic details of Cervantes's great novel echo the essential contours of Mariana's ideas. I've argued in multiple essays that Cervantes was paying particular attention to Mariana's polemics (see Graf 2011, 2014, 2018).

(i) Towards the end of part one, Don Quijote decides to visit Zaragoza, the capital of Aragón: "[T]he third time Don Quijote left home he went to Zaragoza, where he participated in the famous jousts held in that city, and there things occurred to him worthy of his bravery and fine intelligence" (Cervantes 1998, pt. 1, chap. 52). In part two, Zaragoza quickly becomes the most mentioned city in the first modern novel. This takes Mariana's anti-Habsburg nostalgia for the Cortz d'Aragón to a new level, the great irony being that a member of the hidalgo caste would have had political representation there, whereas the lower nobility was excluded from the Castilian Cortes.

(ii) Cervantes's politics are monarchomach throughout *Don Quijote*. He mocks Caesars and kings with increasing intensity, especially in the two prologues, where we find such aggressive and sarcastic phrases as "beneath my coat, I kill the king" and "as if he had committed some crime of *lese-majesty*" (Cervantes 1998, 10, 618).

(iii) Cervantes consistently satirizes the Habsburgs' adulteration of the coinage. The most overt example is the Lion Episode (Cervantes 1998, pt. 2, chap. 17), in which the mad hidalgo attacks a cart which appears to be "carrying currency that belonged to His Majesty," and then tells Sancho Panza to tip the driver of the cart using money which has expressly not been manipulated: "give him two gold escudos, one for him and one for the lion keeper, in recompense." Finally, the lion keeper agrees to report the incident directly to the man most responsible for Spain's inflationary monetary policy: "[H]e said he would tell it to the King himself when he arrived at court."

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To borrow a phrase popular among postmodern literary critics, early modern narrative fiction is "always already" a self-conscious bastion of bourgeois values. Consider the Italian pre-Renaissance.

For critics such as Piketty, Eagleton, and Lukács, modern literature's bourgeois escapism manifests and then evades and disguises the sufferings and injustices of capitalism. Giovanni Boccaccio, however, used stories to celebrate the superiority of bourgeois values, perspectives, and humor roughly two centuries prior to the Spanish Renaissance and about five prior to the rise of European national literatures.

A native of the eminently mercantile city of Florence, Boccaccio (1313–75) was the son of a merchant who was employed by bankers, and he was himself an apprentice to a merchant in his youth. It's not surprising to find merchants among the most compelling heroes of his *Decameron* (1353). Nor is it surprising that Boccaccio's mostly down-to-earth stories were an immediate success among Florentine merchants, who saw themselves reflected at nearly every turn of the collection's one hundred stories. They were the stories' principal readers, copyists, and advocates, and they ensured the *Decameron*'s wide dissemination across Europe. As Vittore Branca showed in his now classic study, two-thirds of the fourteenth-century manuscripts of the *Decameron* belonged to the families of urban merchants, and this long before elaborately decorated editions appeared in more illustrious libraries. Echoing Georg Wilhelm Friedrich Hegel's (1975, 1092) observation that the novel form is the "modern bourgeois epic," Branca (1956b) dubbed the *Decameron* the "epic of merchants." In the early sixteenth century, the humanist poet and scholar Pietro Bembo acted as a force multiplier for the bourgeois status of the novel form by canonizing Boccaccio and granting him global status. In sum, Boccaccio's impact on such writers as Geoffrey Chaucer, Shakespeare, Johann Wolfgang von Goethe, Poe, Cervantes, and many others was so great that the influence of the *Decameron* on the evolution of modern literature cannot be overestimated. It is no exaggeration to say that at its very foundations, thanks in large part to Boccaccio, modern creative narrative shares and reflects the virtues and values of the bourgeois mind.[6]

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[6] It is, however, surprising to find that Boccaccio is not mentioned anywhere in the collection edited by Cantor and Cox (2009). In the same collection, Thomas Peyser (2009) rightly links Hegel's view of the social order to Hayek's, although without reference to Hegel's vision of the novel as a bourgeois form. This reflects the understandably Anglocentric orientation of the study of free market economics and echoes Ian Watt's (1957) perfectly reasonable vision of the novels of Defoe, Samuel Richardson, and Henry Fielding as products of the English bourgeoisie.

One way in which Boccaccio signals the bourgeoisie's moral advantages is via his very Bloomian rivalry with Dante. In canto 17 of the *Inferno* (1320), Dante places usurers in the seventh circle of hell. Throughout the medieval period, usury was considered a sin, and this anticapitalistic mentality only began to shed its stigma in official and academic circles around 1550 with the more accepting views of Henry VIII, John Calvin, and the School of Salamanca. But when did the shift begin? The answer is almost immediately and most especially with Boccaccio.

In the prologue to the *Decameron*, Boccaccio (2003) hails Dante by referring to "Prince Galeoto," an allusion to the novel that caused the damnation of Francesca and Paolo early in the *Inferno* (canto 5). Then, in his very first story, Boccaccio celebrates the infamous usurer Cepparello by transforming him into a saint (Boccaccio 2003, pt. 1, chap. 1). Think about this: a notorious businessman is now in paradise. Exactly thirty-three years after Dante damned usurers to hell, Boccaccio dared to descend there and rescue one of them. In other words, as Christ did for Old Testament heroes in Ephesians 4:8, and as Dante did for his epic precursor Virgil in *The Divine Comedy*, Boccaccio asserts and defends a fluid and inclusive moral universe against its foreclosure by the eager advocates of orthodoxy.[7]

The merchant mentality in Boccaccio had its own precursors, in particular Apuleius's *The Golden Ass* (c.175). Boccaccio reworks Apuleius's tale of "The Baker's Wife," for example, in the tenth story of the fifth day of the *Decameron*. For Apuleius's enormous influence on Cervantes, see Graf (2015, 2021).

[7] Cyprian's "Extra Ecclesiam nulla salus," "outside the church there is no salvation," defended the Catholic Church as the sole route to heaven during its conflicts with unorthodox Christians and Gnostics. He pushed back gently against Tertullian's more concessive idea of the "anima naturaliter Christiana," the "naturally Christian soul." Later, under more besieged circumstances, Augustinians gave the expression a rigorous turn, rejecting the salvation of non-Christians. Augustine himself began with a view of salvation as the result of a process in which the individual seeks truth, but he became less inclusive. Early texts such as *De Libero Arbitrio* (387–95) and *Ad Simplicianum* (397) show respect for pagan virtues and admit salvation outside the church; later works such as *De Dono Perseverantiae* (429) and *De Predestinatione* (429) speak of the *massa damnata*. In spite of his respect for Aristotle, Thomas Aquinas fell short of Cyprian's moderation. The rise of the confessional state in the early modern period saw the less inclusive attitude gain popularity among dogmatic thinkers in both Protestant and Catholic nations. Many humanists tried to walk a middle line, but there were increasingly only two classes of persons: those who accepted the faith of Christ and those who did not. In late sixteenth-century Spain, it could be risky to advance the idea that Socrates was the Christian Logos, as Erasmus did in *Enchiridion* (1503), *In Praise of Folly* (1509), *Sileni of Alcibiades* (1515), and *The Godly Feast* (1522) (see Christian 1972). Likewise,

It turns out, then, that the Bloomian vision of modern literature as a function of self-conscious rivalry is from the outset implicated in a bourgeois struggle for moral acceptance. If it can be said with Bloom that English lyric is a self-regulating universe that evolves in the wake of Shakespeare, it can also be said that *narrative fiction is a self-regulating bourgeois universe that evolves in the wake of Boccaccio*. In many ways, Cervantes's fiction was a Bloomian competition with Boccaccio. He arrogantly claimed to be the first Spaniard to write novels, a genre already associated with fourteenth-century Italian authors, the most important of whom was far and away Boccaccio. To be more technical, Cervantes uses a more rigorous parody of Apuleius to respond to Boccaccio. Thus, he "swerves" around Boccaccio and lays claim to a superior understanding and manipulation of the classical urtext (see Graf 2015).

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To conclude, let's consider three more examples in *Don Quijote* of bourgeois consciousness that offer great opportunity for revealing narrative fiction's deep relations to thinking about human freedom, especially given the fact that Austrian and classical liberal economists and political scientists have the potential to be some of the best readers of some of the most important foundational fiction of Western literature.

(A) The Adventure of the Windmills (Cervantes 1998, pt. 1, chap. 8) is the most famous episode in the first modern novel, considered by most readers to be emblematic of the mad knight's drive to "dream the impossible dream." In an almost didactic gesture, Sancho Panza indicates a more rigorous line of inquiry: "Did I not tell your grace to consider well what you were doing, that those were in reality windmills, and that only somebody whose head was full of them wouldn't know that?" It might be asked what Don Quijote is supposed to have in mind when he thinks of windmills and why he might want to attack them. First, consider that, like Boccaccio,

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the German reformer Philip Melanchthon dismissed the notion that Virgil had any Christian inclination. This rebirth of puritanism and orthodoxy applied to both ancient pagans and modern ones. Something similar, for example, framed the origins of international law in the debate at Valladolid between Bartolomé de Las Casas and Juan Ginés de Sepúlveda over whether or not indigenous peoples encountered overseas in Mexico or Africa had access to Christian salvation.

Cervantes transforms Dante's antibourgeois mentality. Dante mistakes Satan for a windmill. In realist terms, Don Quijote demonizes a windmill as would a Luddite. But we can be more specific. Here, at least, Don Quijote is a feudal lacky, a defender of privilege, possibly even a defender of a monopoly on milling held by the prior of the Order of Saint John against the opportunistic builders of windmills across the border and under the domain of the Order of Santiago (Román 2015, 5–6). This would be analogous to members of a teacher's union in New York City attacking a cigarette outlet in New Jersey where taxes on cigarettes are half what they are in New York. In Cervantes's day, the late Scholastics of Salamanca were keenly conscious of the socioeconomic distortions cause by such protectionist policies. Jerónimo Castillo de Bobadilla (c.1547–c.1605), for example, insisted that barring another's entry into a market was immoral.

(B) Anticipating the epic confrontation in the Lion Episode, as early as the first chapter of *Don Quijote*, Cervantes (1998, pt. 1, chap. 1) indicates that Habsburg monetary policy will be a major theme in his novel. During the novel's first description of Rocinante, the narrator reveals that the horse suffers from "more quarter cracks than a *real*." This alludes to a disease that affects the hooves of poorly shod horses, but it also refers to the artificially induced inflation that was soon to cause the now solely copper-based quarter billon coins to lose their purchasing power compared to that of the silver real. This topic was repeatedly addressed by Mariana around the same time that Cervantes was writing *Don Quijote*.

(C) Readers familiar with the work of Ayn Rand will recognize the novel form as an institution of libertarian economic and political theory, one that foregrounds the conflict between the sentimental, collectivist, and centrally planned markets and governments so often embraced by both the masses and intellectuals and the more reasoned thinking advocated by an elite handful of realists who know better. Among the extreme minority of philosophers that Rand found worthy of her praise was Aristotle, whose axioms of thought prioritized rational analytical discourse. A good indication that the late Scholastics and Cervantes had similar inclinations is the fact that the hidalgo's madness defines him as someone

> unamenable to Aristotelian thinking: "[H]e took to reading chivalric novels with such pleasure and enthusiasm that he forgot almost completely about hunting and even about administering his estate.... With such sentences the poor hidalgo lost his mind, and he spent sleepless nights trying to understand them and disentangle their meaning, which not even Aristotle himself, if he had come back to life for that very purpose, could have deciphered or understood" (Cervantes 1998, pt. 1, chap. 1). The hunt as proper aristocratic preparation for war dates from Xenophon's (2011, pt. 1, chap. 10) *Cyropaedia* (cf. Cervantes 1998, pt. 2, chap. 34), and the proper administration of a nobleman's estate is the point of departure for Aristotle's (1885) discussion of economics in the *Politics*. Don Quijote is, at least initially, and much like Spain, a nobleman in decline, and many of the topics that Cervantes addresses in *Don Quijote* are Scholastic through and through. The Latin phrase in Don Quijote's letter to Governor Sancho on the Isle of Barataria near the end of the novel's second part underscores the politically down-to-earth nature of Cervantes's Aristotelianism: "Amicus Plato, sed magis amica veritas"—"Plato is a friend, but the truth is a better friend" (Cervantes 1998, pt. 2, chap. 51).

In terms of the novel's overarching structure, the allusion to Aristotle at the beginning of *Don Quijote* frames the political essence of everything that follows. José Antonio Maravall demonstrated this essence in *Utopía y contrautopía en el Quijote* (1976). The neo-Aristotelian Salamancans were the most likely source of Cervantes's counterutopianism. Aristotle does not have to be a libertarian to have influenced the foundations of libertarian thought; he merely had to underwrite the anticurricular and antiprincely political philosophy of the early modern opponents of Machiavelli. The fact that Rand scoffs at all other thinkers ancient and modern signals her vision of the transhistorical weight of Aristotle's concerns. In conjunction with her politics, the fact that Rand wrote novels dominated by heroes struggling against the surreal oppressiveness of social reality signals something weighty and critical about narrative fiction very much in the vein of Cervantes. Similarly, when Hamilton speaks of political axioms in *The Federalist Papers*, he is jettisoning Platonic notions of reading assignments, character development, and monarchical virtuosity as insufficient for a logical governing system. Likewise, when

Cervantes cites Aristotle, he sets up an epic contrast between realistic political thinking and the insane and irresponsible idealism of his protagonist, a contrast that dominates both parts of the novel.

Writers such as Rand, Borges, Mises, and Cervantes signal that the culture war must also be engaged by pushing back within the field of literature. Even Mariana reveals a striking literary sensibility in such politically critical texts as *De rege et institutione regis* and *De monetae mutatione*. Neither classical liberals nor libertarians should give ground to Marxists when it comes to the production and interpretation of culture, least of all literature, where we have a natural advantage in the history of narrative fiction. Storytelling should be in our wheelhouse as much as theirs. Ancient, medieval, and early modern novels are suggestive of Austrian and Salamancan theory, because novels are always already mercantile. We see this in the triangles of influence and appreciation that can be drawn among Cervantes, Boccaccio, and Apuleius. On one hand, Cantor and Cox (2009, ix, 20) are right that "forms of economic thinking sympathetic to capitalism may be able to illuminate our understanding of literature" and also that "the messiness of the real world in which humans act" is the essence of both the novel and the Austrian outlook with its holistic emphasis on spontaneous social structures. On the other hand, marketplaces are more than abstract ways of relating literature to economics; they're inscribed in the very genesis and development of literature as a field from late antiquity to the Renaissance.

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