ABSTRACT: Juan de Mariana may have had more direct lines of influence on the contemporary political denunciation of central banking in the United States than previously thought. As the culmination of a series of monetary theorists of the School of Salamanca, Mariana’s genius was his ability to synthesize and articulate a critique of the inflationary monetary policies of the Spanish Habsburgs. Furthermore, the Jesuit scholar linked his economic analysis to his equally scandalous endorsement of regicide. For their part, both the monetary policy concerns and the rebellious animus of the modern libertarian wing of American politics echo Thomas Jefferson’s views during the early Republic. These views also likely owe something to Mariana’s uniquely menacing confrontations with the Habsburgs. And thanks to the Virginian’s lifelong appreciation of Miguel de Cervantes’s great novel *Don Quixote*, which was itself heavily influenced by Mariana, the fascinating connections between Jefferson’s and Mariana’s politicized understandings of money are even further intertwined.

KEYWORDS: monetary policy, Mariana, Jefferson, Cervantes, Don Quixote, Austrian School, School of Salamanca, Philip II, Philip III, libertarianism,

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liberty, slavery, regicide, billon coins, Constitutionalism, Aragon, Euclid, Ron Paul, Paul Krugman

**JEL CLASSIFICATION:** B1, B2, B3, N1, N4

What will I say about our own *maravedí*, which was first of gold, then silver, and now is entirely of copper? And who would be so bold as to dare to censure a custom allowed in all times and all places?

Juan de Mariana, *La dignidad real y la educación del rey* (341)\(^1\)

‘What do you mean “forced people?”’ asked Don Quijote. ‘Is it possible that the King uses force against anyone?’

Miguel de Cervantes, *Don Quijote de la Mancha* (1.22.199)

**INTRODUCTION**

Striking parallels exist between the work of Juan de Mariana (1536–1624) and modern political opposition to the advisability of central banking in the United States. I claim that said parallels can, and indeed should, be viewed as a matter of ideas passed down both directly and indirectly from late Renaissance Spain, ideas that were expressed in response to historical circumstances remarkably similar to our own. To quote Mariana: “What has happened will happen. Previous events are very influential: They convince us that what sets out on the same path will reach the same conclusion” (Mariana, [1609] 2007, p. 279).

Modern monetary theory first arose at the University of Salamanca during the second half of the sixteenth century through the combined efforts of Neo-Scholastic thinkers like Martín de Azpilcueta, Diego de Covarrubias, Tomás de Mercado, González de Cellorigo, and Luis de Molina.\(^2\) On the one hand, motivated by

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\(^1\) All translations are the author’s own, unless otherwise indicated.

\(^2\) As Luis Beltrán points out, the School of Salamanca’s “boundaries are blurry,” and not all of the thinkers that we associate with it actually attended the university or taught there, including Mariana. Still, it was the source of the intellectual atmosphere of late Renaissance Spain. For detailed presentations of the School of Salamanca, see the monograph by Marjorie Grice-Hutchinson and the edited volume by Grabill.
their philosophical interest in medieval and classical knowledge on the subject and, on the other hand, by the social and economic turmoil brought about by the importation to Spain of massive amounts of gold and silver from the New World, these men penned treatises expounding variously on the origins, functions, and effects of money. At the turn of the sixteenth century, however, a more critical and political incentive for monetary analysis arose when the Habsburg kings Philip II, Philip III, and Philip IV embraced a policy of debasement to cope with the massive costs incurred by the Spanish Empire, not the least among which were expenditures associated with courtly extravagance, bureaucratic graft, and multiple wars both domestic and foreign, especially in the Low Countries of northern Europe. Thus, the infamous Spanish billon copper coin, in the end entirely denuded of its silver content and transformed into one of the most worthless currencies of the modern era.

Figure 1. A *vellón* coin of Philip IV with a nominal value of sixteen *maravedíes*.


The great Jesuit thinker Juan de Mariana is the major voice of this last phase of the School of Salamanca’s monetary theory. Extending the ideas of his precursors, his principal legacy in the field of economics is *De monetae mutatione* (*A Treatise on the
Alteration of Money), published in 1609, which is a brilliantly articulated condemnation of the inflationary policies of King Philip III and his advisor the Duke of Lerma, and for which Mariana was promptly arrested and charged with lèse-majesté. His confrontation with Habsburg authorities over their fiscal shenanigans suggests another important facet of his thought: his radical advocacy of regicide. In his equally provocative princely advice manual, De rege et regis institutione (The King and the Education of the King), published in 1599, Mariana lays out the case for killing kings who abuse their power. And thanks to the second edition of this manual, published in 1605, which contains an early version of De monetae mutatione in the guise of its sole additional chapter, “De moneta” (“On Money”), Mariana’s aggressive economic analysis remains forever linked to his scandalous endorsement of assassination as a vital check to monarchical tyranny.

Both the monetary concerns and the anti-authoritarian animus of the modern libertarian wing of American conservatism are heavily bound to the ideas of the Austrian School of economics, which includes such luminaries as Carl Menger (its founder), Ludwig von Mises, Friedrich Hayek, Murray Rothbard, Walter Williams, Hans-Hermann Hoppe, and Jesús Huerta de Soto. They also echo the economic and political views expressed by Thomas Jefferson during the early years of the Republic. The Austrian School’s debts to Salamanca have already been pointed out. But given Jefferson’s own documented attention to Mariana’s History of Spain (Historiae de rebus Hispaniae, [1592] 1854),3 as well as his profound admiration for the works of John Locke and Miguel de Cervantes—arguably two of Mariana’s most significant readers—it is well-nigh time to recognize that substantial aspects of American libertarianism are doubly reinforced projections of the great Jesuit scholar’s menacingly cynical stances against the policies of the Spanish Habsburgs. In short, Mariana’s unique formulation of the politics

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3 In the references, this is listed as Historia general de España. These are the same work. First Latin (1592), then a Spanish translation by Mariana himself (1601), and finally the first English translation appears to be 1699. It is likely, although impossible to tell, that Jefferson himself had English translations in his libraries and that he sent the same book to Madison, but he could also have sent Madison a Latin or a Spanish version. The problem is compounded by the fact that the 1699 English translation is entitled The General History of Spain, whereas Jefferson refers to it as History of Spain (as do many modern English-speaking experts on Mariana).
of money stands as one of the most profound connections between the baroque world and our own.\textsuperscript{4}

**MONETARY THEORY, DEFICIT SPENDING, AND ECONOMIC CRISIS**

In the wake of the worldwide economic crisis of 2008, we have witnessed an ongoing debate over the decisions by political authorities, Americans and Europeans in particular, to debase their respective currencies.\textsuperscript{5} This boils down to a difference of opinion regarding the advisability of interfering with the economy by injecting money into it in order to rescue those who bet wrong prior to the crisis—i.e., institutions and individuals who might otherwise be left holding worthless property, especially real estate and the stocks of failed corporations, such as banks, car companies, etc. The interventionists reason that with more money chasing the same amount of assets, goods, and services, people will shrug off the urge to save because their net worth will appear to stabilize, or else they will feel obliged to spend as the rate of return on their savings plummets in concert with the lowering of interest rates due to the increased availability of money. Furthermore, deficit spending by governments is viewed as the necessary complement to monetary expansion. Mainstream economists and politicians argue that the crisis will worsen without the continuation or

\textsuperscript{4} In addition to Grice-Hutchinson, Murray Rothbard should be credited with having emphasized the depth of the legacy of the School of Salamanca for Austrian economics. He made a good circumstantial case for Mariana’s influence as well (2006, pp. 117–122, \textit{passim}). In political terms, he also pointed out that Mariana was “positively ‘pre-Lockean’ in his insistence on the right of the people to resume the rights of sovereignty they had previously delegated to the king. While Locke developed libertarian natural rights thought more fully than his predecessors, it was still squarely embedded in the scholastic natural law tradition” (p. 314).

\textsuperscript{5} Of course, American and European authorities are not alone. The Chinese have long been accused, by American politicians in particular, of maintaining an artificially devalued yuan; Japan recently declared all-out war on deflation by vowing to print as many yen as it takes; Latin American countries like Argentina and Venezuela are notorious for periodic monetary collapses; and then there are the classic apocalyptic currencies of Zimbabwe and Weimar Germany. The authorities of ancient Rome and Greece were no different. The earliest known text to refer to a debased currency is generally held to be Aristophanes’s play \textit{The Frogs} (718–782), which dates from 405 B.C.
increase of government outlays in the form of infrastructure projects or wealth transfer payments in the form of social services and welfare.

Central bankers as well as officials in favor of more government debt, then, would have us believe that their efforts will bring about a general “stimulation” of commercial activities, thereby staving off economic ruin. The libertarian response is that such policies are destructive and unethical because they distort the “market” value of things by changing relative prices. Likewise, the Neo-Scholastics of Salamanca argued that said policies are unadvisable and unjust because they distort the “natural” value of things. Libertarians and Salamancans tend to link morality to economics since, on the one hand, they oppose those who are employed by the government or else are the beneficiaries of its largesse and, on the other hand, they believe that the longer term consequences of economic interventionism hurt people more than whatever dubious short term benefits it may have. Market strategists like Jim Rogers, James Grant, and Meredith Whitney, along with a minority of academic economists, such as Nassim Taleb, Mark Thornton, and Niall Ferguson, all make similar points when they rail against deficit spending and monetary debasement.

A contemporary American version of this debate was recently broadcast on Bloomberg TV between Congressman Ron Paul and Nobel Prize winner and New York Times pundit Paul Krugman. Paul stands for fiscal conservatism, debt reduction, and smaller government; Krugman argues for economic management, monetary intervention, and deficit spending. First, Paul:

I believe in very small government. I emphasize personal liberties. I don’t like a managed economy, whether it’s through central economic

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6 In an effort to spare readers a much more detailed economics lesson, I oversimplify the important Austrian corollary that inflation ultimately leads to the destruction of malinvested capital and, therefore, higher unemployment, lower wages, and generally less production of wealth and, therefore, less improvement of the human condition than would otherwise have occurred according to the natural conditions of an admittedly harsh free market economy. This longer term view is perhaps best understood as a combination of Joseph Schumpeter’s relatively pessimistic notion of the “creative destruction” of capitalism and Friedrich Hayek’s more optimistic notion of its “extended order,” both of which would seem to have been at least in part intuited by the Salamancans (cf. Schumpeter [1942] and Hayek [1988]).
planning or monetary policy or, or even Congress doing it. So it’s a completely different, uh, philosophy that markets are supposed to work, you know, in a natural way. I want a natural rate of interest. I don’t want the government or the Federal Reserve fixing the rate of interest. That’s a price fixing. And wage and price controls never work, so pricing the cost of money, uh, doesn’t work either. And this idea that somebody or some group might know what the proper amount of money should be or what the proper rate of interest should be is sort of presumptuous. You know, I don’t, I don’t know where they get this knowledge, and uh, Hayek called it a “pretense of knowledge.” They pretend they know, but they really don’t... Governments aren’t supposed to run the economy; the people are supposed to run the economy.

Then, Krugman:

You can’t leave the government out of monetary policy. If you try to think, you know, we’re, we’re gonna just let it set itself, it doesn’t happen. The government is actually always, uh, the, the Federal Reserve, the Central Bank, is always going to be in the business of managing monetary policy. If you think that, that... you can avoid that..., um, you’re living in some... you’re living in a world as it was a hundred and fifty years ago. Right? We have an economy in which money is not just pieces of green paper with, uh, with, uh, faces of dead presidents on them. Money is, is, uh, is the result of the financial system. It includes a variety of assets. We’re not even quite sure where the line between money and non-money is. It’s kind of a, a continuum. And look, history tells us that, in fact, an un... a completely unmanaged economy is subject to extreme volatility, is subject to extreme downturns. I know there’s this legend... that the Great Depression was somehow caused by the government, caused by the Federal Reserve, but it’s not true. The reality is that was a market economy run amuck, which happens, happened repeatedly over, over the past couple of centuries... There are limits. You do need the government to step in to stabilize...

Finally, Paul responds to Krugman’s idea that inflation is necessary to get things going again:

Inflation is theft. You’re stealing value from people who save money. So, if you have a 2% or a 10%, the value of the currency is lost. And it really destroys an important feature of the economy, and that is saving. Savings tells us something, and it tells us that capital is available. This notion that capital can come out of the expansion of the money supply is remote. Now, uh, Professor Krugman indicates that we just want to go back a hundred years or so..., but he wants to go back a thousand years, or two thousand years, just as the Romans and the Greeks and all other countries debased their currency... (Paul, 2012)
We should note that this debate is, and always has been, very much a matter of perception and perspective. Austrians and libertarians claim to see what others cannot or will not see, namely, that currency manipulation and deficit spending only create an illusion of wealth. In reality government officials are “monetizing” the debt created by their expenditures and foisting the costs onto future generations. More generally, in an unjust sleight of hand, they are transferring debt to creditors: debasing the currency allows debtors to more easily pay off what they borrowed back when the currency had relatively more value. Unwitting citizens, then, are forced to share in government debt as well as the losses of companies bailed out by said government. Even John Maynard Keynes, the most famous apologist for this dual strategy, noted its secretive and sinister nature: “There is no subtler, no surer means of overthrowing the existing basis of society than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction, and does it in a manner which not one man in a million is able to diagnose” (1920, p. 236). Mariana saw just as much: “the prince..., if he repeatedly debases the value of the currency,... does not avoid committing an offence, with obvious infraction of the laws of nature, and in truth he is deceiving many with means meticulously devised so that they will not grasp the damage that he causes them” (La dignidad real [1605] 1981, p. 344).

Objections to Keynesianism are not exclusive to the United States. In Paradigm Lost: The Euro Crisis, Uri Dadush and Vera Eidelman argue that restoring the natural value of things and reducing the size of government are the only ways to bring about economic recovery in the same country that over four hundred years ago gave us Mariana. Note the historical irony that the Habsburg policy of currency devaluation is now off the table because the Spanish have embraced the euro, which is regulated by the European Central Bank headquartered in Frankfurt and controlled by bodies like the European Commission in Brussels and Luxemburg:

Spain has to effect a profound structural transformation and cannot look to a cyclical recovery to reignite growth and reduce its mass unemployment. It must instead unwind distortions that were built up over more than a decade, restore its competitiveness, and reallocate resources to manufacturing and other growing tradable sectors. With currency
devaluation not an option, these reforms will only happen if unit labor costs, house prices, and the price of services decline relative to its European partners. A smaller government sector and other far-reaching reforms must kick-start this process. (Dadush and Eidelman, 2010, p. 65)

Of course, the fact that Spain has relinquished control of its currency does not mean that its citizens will not suffer the consequences of increases in the money supply enacted by European institutions. While there may be differences in degree, both the European Central Bank and the Federal Reserve Bank in the United States have opted for monetary expansion, the inflationary effects of which might take time to occur and might be difficult to perceive as they arise at different rates across different sectors of the economy, but will in the long run be no less destructive of each currency’s purchasing power.

Mariana made all of these observations as early as his chapter on money in the 1605 edition of De rege, where he objected on moral as well as economic grounds to the Habsburgs’ debasement of the billon coins (“monedas de vellón” in Spanish). He understood that their policy was an illegitimate form of taxation designed to pay for excessive government expenditures, that it robbed citizens of their personal wealth, and that it would cause shortages and price inflation and have dire consequences for the nation as a whole:

In the first place, it is necessary to affirm that the prince does not have any right over the private property and estates of his subjects that would allow him to take them for himself or transfer them to others.

This adulteration is a form of tribute by which is subtracted some amount of the wealth of the citizens.

Would it be licit to force open the granary of a subject and steal from him part of his grain and then compensate him for the damage by granting him the power to sell that which remained in his granary at the same value that it had when it was full and we had not taken any part of it? Who would not say that this was robbery?

First, this abuse will necessarily be followed by a dearth of foodstuffs in direct proportion to the value that is removed from the currency, for men do not value money by anything other than its quality and solidity, even when severe penalties are decreed to forestall shortages. What is more, the people will feel tricked and will not stop protesting against this debased currency which has come to substitute the old but which lacks its value, calculating that now they will need much more money to meet their basic needs.
The merchant and the buyer withdraw at the first sign of adulteration and the shortages that it causes. And if the prince fixes the price of goods, as is oftentimes desired, instead of achieving the remedy that is intended, he will aggravate the problem, because nobody will want to sell at a price which is considered unjust and unfair when it is compared with the common estimation. Once commerce is ruined in this fashion, there will be no limit to the ills that will befall the people, and the inhabitants of that country will lose wealth right up until their last breath. (La dignidad real [1605] 1981, pp. 341–343, 346, 348–349)

The temporal inflection that Mariana gives to this last statement is crucial. Inflation only makes matters worse in the future. His prediction took a few years to come about, but the history of the value of the billon coins confirms his prescience. As one researcher at the Federal Reserve Bank of Chicago put it: “The Spanish experience unleashed unprecedented manmade inflation, which made the Price Revolution of the sixteenth century (price level increases due to the inflow of American gold and silver) look tame” (Velde, 1998, p. 11). Note how well the graph of the market value of the billon quarter coin resetting to its intrinsic value (Figure 2) corresponds to the fall of the Spanish Empire, the end of which is traditionally marked by the Treaty of Westphalia in 1649.

**Figure 2. Market and intrinsic values of a vellón cuarto coin, 1597–1659.**

![Graph of market and intrinsic values of a vellón cuarto coin, 1597–1659.](source: Velde and Weber (1997).)
Arguments about the government’s right to grow itself through debt and then print money in order to pay for it amount to more than an economic policy dispute. As Paul has consistently pointed out, since these issues concern federal officials’ ability to redistribute the wealth of citizens, they are ultimately constitutional in nature. In an editorial piece for *The Washington Times*, Warren L. Dean, Jr. objected in similar terms to the logic that a failure on the part of Congress to increase the federal debt limit would bring about a national default that was “unconstitutional”:

> It seems that the “me” generation thinks it has a constitutional right to continue to spend money it does not have. Without much doubt, its theory has to be among the most stupid—and most childish—constitutional arguments that ever have been put forward in Washington.

> It is putting our constitutional system of government in hock and mortgaging the liberty of future generations of Americans. For a nation that, until now, has lived by the philosophy that it would hand the next generation a brighter future than the last, it is quite a reversal.

> The liberal left prefers to spend the money of future generations. That is easier because the unborn don’t have a say in the matter. They don’t have the right to vote and cannot object.

> In fact, the Constitution is quite clear in this area. It should be. It was built on the foundation of a rebellion that was, in turn, inspired by a tax revolt. That is one reason why Article I of the Constitution firmly vests the power of the purse in the elected representatives of the people in Congress. The power to tax, spend and, yes, even to borrow are all vested in Congress, which shall have the power “To borrow money on the credit of the United States.” Pretty clear, you might think. Neither the executive nor the judiciary has that power. In fact, it is unconstitutional for the executive to spend money not appropriated by Congress. (Dean, 2012)

Similar clashes are arising in Europe. Not only has there been extensive debate in Mediterranean states like Greece and Spain regarding the legality of ceding control of their domestic economies to Brussels, we now see a corresponding debate in the Federal Republic of Germany over the legality of “restructuring” the debt of said states on the backs of Germans: “The German Constitutional Court must now decide whether the European Central Bank’s policy of buying bonds contravenes the conditions under which Germany joined the European Union” (Raisbeck, 2013).
Here again, with respect to both the United States and the European Union, Mariana’s thinking about fiscal matters can seem prophetic because the laws of economics that he perceived are applicable regardless of time and space. His complaints about the policies of the Habsburgs are the same ones we hear today against central banks and governments. And not only did Mariana articulate them in moral and economic terms, he did so on formalistic, or what today we would call “constitutional” grounds. He complains loudly in book one, chapter eight of De rege that tradition had been abandoned by granting excessive power to the head of state, what we would call the “executive branch.” This is the essential reason behind his constant appeals to the Kingdom of Aragon, which unlike his native Kingdom of Castile, had clung tenaciously to its jurisdictional independence from Habsburg authority right up until the 1590s:

According to Aristotle, among the Greeks, the Lacedaemonians only conferred authority on their kings when it came to the direction of warfare and the care and administration of sacred things. In more recent days, in Spain, the 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... Among those people and others nobody doubts that the authority of the people is greater than the authority of the king. Otherwise, how would it be possible to resist the power and the will of kings?

Requiring that the decisions of the king be ratified by the community at large (a right which, in spite of everything, is still maintained among the Aragonese) has been suppressed...

Our own ancestors, being wise men, foresaw this danger and instituted numerous and most farsighted measures so that kings would be constrained within the limits of moderation and sobriety and would not be able to exercise an excessive power that might harm the public. Among other things, with great prudence they established that no important business should be resolved without consulting the lords and the commoners, to which end there were to be convened parliamentary Cortes in the realm to be attended by elected representatives from all branches, that is, the prelates with full jurisdiction, the lords, and the conservators of the townships. This custom is still maintained in Aragon and other provinces, and God grant that our princes would restore it!
Why have our traditional Cortes been so disfigured by the exclusion of the lords and the bishops, rendering impossible that common consent wherein resides public well-being, such that public and private business is now resolved at the arbitrary whim of the king and the will of the few? (Mariana, [1599] 1981, pp. 93–94, 98, 101)

THE ANIMUS OF AUSTRIAN ECONOMICS: MARIANA AND HABSBURG TYRANNY

A fascinating aspect of Mariana’s career is that he gradually concludes that one way, if not the very best way, to judge history itself is in terms of monetary policy. In this he represents the logical extension of the School of Salamanca, which left a philological record of deepening interest in economic matters. In 1550, for example, Diego de Covarrubias produces the school’s first full treatise on money, *Veterum collatio numismatum (An Examination of Ancient Coins)*, in which chapters five and six deal with the historical currencies of Spain ([1550] 1775, pp. 168–252). Covarrubias notes passively that the practice of debasement dates as far back as the reign of King Alfonso X (1252–1584), also known as “el Sabio” ‘the Wise.’ In a preliminary note to his 1775 edition of Covarrubias’s study, Josef Berní y Catalá indicates that the version published at León in 1558 contains these two chapters translated into Spanish, while the rest remain in Latin ([1550] 1775, pp. 309–311). Some of this divergence owes to simple nationalism, but it also reveals a desire to place highly technical and controversial information about the history of Spanish money before a reading public no longer versed in Latin.

For his part, Mariana’s interest in things monetary dates at least from his investigations for his epic *Historia general de España* (Latin, 1592; Spanish, 1601), a text in which he also mentions, and in fact condemns, Alfonso X’s recourse to debasement ([1592] 1854, 13.9.382–383). A few chapters on he declares that Alfonso’s policy lent enormous support to his son Sancho’s rebellion (14.5.407). Later, he pauses to qualify the triumph of Enrique II (1366–1367, 1369–1379), the first of the great Trastámara line that begat the Catholic Monarchs Ferdinand and Isabella, by indicating that this king too had to turn to debasement to finance his wars against Pedro I (1350–1366, 1367–1369). Mariana even says that Enrique
only got away with it because he was so handsome, and because he was generally regarded as the embodiment of gentlemanliness ("por excelencia le llamaban el Caballero"), whereas his rival was utterly cruel (17.14.520). From then on Mariana displayed ever-increasing urgency in regard to this theme, with each book granting more attention to monetary matters, allowing them to emerge as the primary focus of his life’s work. In 1599, he published a study of weights and measures, *De ponderibus et mensuris* (On Weights and Measures), topics that relate to debasement because authorities manipulate currencies by changing precisely these parameters. After seeing to the Spanish translation of *History of Spain*, with its clear critiques of Alfonso X and Enrique II, he then focused on adding “De moneta” to the 1605 edition of *De rege*. As Gabriel Calzada points out, Mariana inserted this new, highly contentious chapter on money into book three, precisely after the chapter on tribute, or what we would today call “taxation.” Moreover, “the second edition of *De rege et regis institutione*, in which he presented for the first time his anti-inflationary argument, was published together in a single volume with *De ponderibus et mensuris*, as if he had wished to add a long appendix expounding in detail on the technical foundations of the evil he was denouncing” (pp. 86, 88–89). The concluding words of “De moneta” underscore this link: “we wanted to admonish princes against altering those things which are the very foundations of commerce, that is, weights, measures, and currency, if they desire to have a tranquil and stable state, because under the appearance of momentary utility lies untold fraud and harm” ([1605] 1981, p. 351). In 1609, the topic reached critical mass in Mariana’s astonishing *De monetae mutatione*, which he quickly translated into Spanish for circulation in manuscript form, a clear sign of the gravity with which he now viewed the explication of monetary theory. The fact that Spanish authorities responded to this final sally by arresting him and charging him with lèse-majesté indicates that he was by no means alone in this regard.

What we are witnessing, then, from Covarrubias through Mariana, is the early modern birth of monetary theory, and by extension economics itself, as a discrete field of inquiry. What is more, we are

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7 Grice-Hutchinson: “It is clear that the monetary theory of the School of Salamanca spread through many countries during the earlier decades of the seventeenth century” ([1952] 2009, p. 74). For a look at the way modern fields of scientific study
watching its coincidental politicization. Mariana lays the groundwork for all this by way of historical analysis. As we have seen, as early as 1592 he had already indicated the ineptitude with which Alfonso X “the Wise” chose to dilute his coins with copper. In the “De moneta” chapter of the 1605 edition of De rege, he reiterated his view that this was, in fact, the main reason for the chaos that threatened Alfonso’s reign. This time he does so in the first person:

I believe that the poor quality of the new money was the principal cause of the people’s exasperated spirits, so much so that during the life of King Alfonso they switched allegiance to Don Sancho and his sons. Don Alfonso was so stubborn and capricious that in the seventh year of his reign he tired of the money called the burgalesa and changed it for yet another, which was called the negra because the metal was so bad. ([1605] 1981, p. 347)

Mariana continues his monetary disenchantment with Spanish history, first dispensing with Alfonso XI (1312–1350), who evidently ignored the lessons to be learned from his great-grandfather, before turning once again to the civil wars between Pedro I and Enrique II. Striking here is the casual frankness with which he flips the traditional roles played by Enrique, the founder of the House of Trastámara, and Pedro “el Cruel” ‘the Cruel,’ the last king of the moribund House of Burgundy. All pretense vanishes, reputations are irrelevant, and the archeological record unveils the truth:

We have been able to inspect the reales of Don Enrique and Don Pedro. Those of the latter were truly of good silver, equal to that still used in our day in Castile; those of Don Enrique were rather blackened through much mixing with the copper they contained. And at the advent of a shortage of all goods of primary necessity, he found himself obliged to reduce the value of the currency by two thirds. Such often happens, for what is believed to be most useful and ingenious comes to be most harmful through lack of foresight and because the judgment of men is blind. ([1605] 1981, pp. 347–348)

For more than fifteen years before his open attack in 1609 on Philip III and the Duke of Lerma in De monetae mutatione, Mariana took shape through a kind of introspective precipitation of the modern intellect, all with a serious nod to early modern Spaniards like Velázquez and Cervantes, see Michel Foucault’s The Order of Things.
had been putting a lot of ink to paper against two of the most
iconic kings of Spanish history, and precisely according to their
willingness to debase their currencies.

It is his historically inflected politicization of monetary policy
that makes Mariana such a giant. He may have accessed Nicholas
Oresme’s work, he surely read Salamanca Neo-Scholastics like
Covarrubias and Molina, and in chapter three of De monetae
mutatione he cites René Budel’s De monetis et re numaria (On Money
and Monetary Things, 1591), which means he knew the substance
of many other publications on the subject (Laures, 1928, p. 163).
He grasped Gresham’s Law, whereby bad money drives out
good in the context of an artificial exchange rate; he perceived the
subjectivist theory of value, anticipating what today we would call
“marginal utility”; he understood both the quantitative and the
qualitative theories of inflation; and he warned of the disastrous
effects inflation has on commerce and society. But the specifics of
his thoughts on these matters are rarely original. His intellectual
power is one of synthesis; his work, in essence, is a bitter preview
of the cynicism of the Austrian economists, who regard much of
recorded history as a series of misguided economic interventions
arising from, and leading to, all sorts of travail and misery. To put
it another way, Mariana’s true genius, his most original discovery
of all, is that statist monetary policy and authoritarianism are one
and the same. And he brought a massive dose of moral courage to
giving the issue its public due, turning up the volume of his insight
and aiming it straight at the powers that be.\(^8\)

This is also what makes the 1605 version of his essay on money
so important; for it is here that he first establishes the lateral
connections between currency debasement and two other wicked
regal practices: tyranny and slavery. This is merely a matter
of the transitive property of equality in the fields of logic and
mathematics, whereby if \(a = b\) and \(b = c\), then \(a = c\). Euclid’s “first
common notion” from book one of his Elements, which by the way
was translated into Spanish in 1576 by Rodrigo Zamorano, states it
thusly: “Things which are equal to the same thing are also equal to
one another” (2). In book one, chapter five of the first edition of De

\(^8\) For a thorough discussion of the nefariousness of interventionist monetary policy,
Mariana had already defined a good king as one who treats his subjects as if they were his own progeny, as opposed to tyrants, who enslave them: “Thus it comes about that he rules his subjects not like slaves, as the tyrants do, but he is over them as if they were his children” ([1599] 1948, p. 136). A few pages later he had tied tyranny to slavery again:

It is unavoidable that the tyrant be afraid of those whom he puts in a state of dread; and must diligently take care, by removing all their means of protection and by taking their weapons away, not leaving them even their personal arms, that those whom he holds as slaves get no opportunity to engage in any of the liberal arts, worthy of a freeman, or strengthen their bodily robustness and their spiritual confidence by military activities. ([1599] 1948, p. 140)

In 1605, when he adds “De moneta” to what is otherwise the exact same text, Mariana defines monetary manipulation as illegitimate taxation and, therefore, another form of tyranny:

The prince cannot impose new tributes without first obtaining the formal consent of the people. Let him request them, certainly, but he is not to despoil his subjects by taking something each day according to his fancy and little by little reducing to misery those who until recently were rich and happy. To proceed in this manner would be to act like a tyrant, who measures all according to his greed and arrogates all powers to himself, not like a king, who should moderate the authority which he received from those who accepted him as such according to reason and law, and not extend it further. ([1605] 1981, pp. 341–342)

What we have, then, in the 1605 edition of De rege, is a triple equivalency between tyranny, monetary debasement, and slavery. And here again, because he appeals to transcendental moral laws, Mariana’s line of reasoning can seem prescient. Forcing citizens to assume the payment of debts unlawfully incurred by the government is to enslave them. Americans should recognize a slogan from the Revolutionary period lurking in this construct: “taxation without representation is tyranny.” The only difference is that Mariana goes a step further by exposing monetary manipulation which finances government debt as an illegal form of taxation.

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9 The Second Amendment to the US Constitution addresses this same issue.
In other words: “debasement is taxation without representation, which is tyranny.” In his editorial piece for _The Washington Times_, Dean (2012) makes essentially the same argument:

But while we are looking at the question of the constitutional implications of fiscal irresponsibility, it might be more instructive to consider the other, far simpler, post-Civil War amendment to the Constitution. The 13th Amendment elegantly states, “Neither slavery nor involuntary servitude, except as punishment of a crime whereof the party shall have been duly convicted, shall exist within the United States.” Involuntary servitude includes indentured service and peonage—in other words, compulsory service in payment of a debt.

Here we might ask, what is the proper response to tyrannical leaders who enslave their citizens? Mariana’s answer is one from which many contemporary readers will recoil, but it was accepted doctrine at the time: when monarchs become tyrants, they may be killed. In book one, chapter six of _De rege_, just after the chapter in which he lays out his definition of tyranny, the Jesuit thinker clearly endorses political assassination as a necessary check to kings who transgress the limits of their power:

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. Let the same means be available to any individual, who, having given up the hope of escaping punishment and with disregard for his personal safety, wishes to make the attempt to aid the commonwealth.

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

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10 In the classical tradition Cicero and Plutarch had supported tyrannicide. John of Salisbury had argued for assassination of tyrants in his _Policraticus_. Thomas Aquinas endorsed the right to resist tyrants in _Summa Theologica_ and elsewhere, although he thought fear of tyrannicide drove princes to even worse behavior and so he preferred the examples of those martyred by Nero and Diocletian. In early modern Spain, the emphasis on natural law by the Neo-Scholastics at Salamanca led down this road as well, especially among the Jesuits, and the thought of Juan de Mariana is perhaps the most notorious example. For a detailed survey and fuller discussion, see Brincat (2008).
deliver themselves up to be deeply corrupted by vice and flattery; it will put reins on madness. ([1599] 1948, pp. 148, 149)

In an important moral qualification, Mariana has argued here that a political assassin is only justified if she is willing to die in the attempt. Although he never deigned to personally take up arms against the king, with his pen Mariana was certainly willing to put his life on the line for what he believed. When he proclaimed the illegitimacy of Philip III’s monetary policy in De monetae mutatione, he knew full well that he risked a charge of lèse-majesté, the penalty for which was death:

At a time when some are restrained by fear, others held, as it were, in bondage by ambition, and a few are losing their tongues and stopping their mouths because of gold and gifts, this pamphlet will achieve at least one goal: All will understand that there is someone among the people who defends the truth in his retirement, and points out the public threat of dangers and evils if they are not confronted with dispatch. Finally, like Diogenes, I will appear in public, I will rattle my barrel; I will openly assert what I think—whatever the final outcome. ([1609] 2007, p. 252)

To the degree that adherents to the Austrian School of economics look to Mariana for the roots of their political and economic thinking, they are taking inspiration from ideas that the valiant Jesuit theorist formulated in response to Habsburg tyranny. In her magnificent monograph on the School of Salamanca, Marjorie Grice-Hutchinson drew the direct lines of influence that the Spanish Neo-Scholastics had on the evolution of economics, from seventeenth-century thinkers like Grotius, Pufendorf, and Hutcheson to philosophes like Galiani, Condillac, and Turgot ([1952] 2009, pp. 59–78), which all allows for a multi-pronged impact on classical English economists like Locke, Smith, and Ricardo. Moreover, by any number of these routes, modern nineteenth-century economists like Jevons, Walras, and Menger are also their inevitable heirs. The problem with situating Mariana in this trajectory has always been that, owing to the fact that both De rege and De monetae mutatione were collected and burned with such zeal by Catholic as well as Protestant authorities, the recognition of his influence has remained speculative. Still, it is difficult to imagine that near contemporaries like Grotius, Scaccia, and Jesuits like Lessius, Salas, and Lugo, all intermediate figures
cited by Grice-Hutchinson, would not have laid their hands on Mariana’s controversial work. The recent discovery by Calzada of a copy of *De ponderibus et mensuris* in Locke’s library is, I believe, an excellent indication that Mariana’s influence was likely far broader and more tangible than previously imagined.

In the last two sections of this essay, I want to point out that Mariana’s modern legacy has also taken two additional, relatively unrecognized paths, namely via Cervantes and Jefferson. First, let us summarize that we are contemplating highly politicized arguments that are both economic and constitutional in nature: Mariana’s objection to monetary tyranny is part and parcel of his objection to the Habsburgs’ political usurpation of the medieval traditions of Spain’s local legal codes (*fueros*), the last remaining vestiges of which were in Aragon at the time of his writing. With these facts in mind, I find it noteworthy that Cervantes read Mariana and that Jefferson read both Cervantes and Mariana. Ironically, Grice-Hutchinson cites Cervantes only as a warning against “the sin of reading our own ideas into the work of older writers” ([1952] 2009, p. ix). I want to embrace this sin and consider that certain reflections on the meaning of money and the struggle for liberty found in the writings of the inventor of the modern novel and the author of the American Declaration of Independence may owe some degree of their inspiration to Mariana.

**MARIANA AND CERVANTES**

If Mariana’s genius lies in his discovery of the politics of money and his subsequent radical opposition to monetary adulteration as one of the most nefarious examples of monarchical tyranny, in a curious twist, the most immediate consequence of his work was its influence on the history of the novel.11 Readers of Cervantes’s *Don Quijote* (part one, 1605; part two, 1615)—first published the same year as Mariana’s second edition of *De rege*, with its added “De moneta” chapter—will be familiar with the protagonist’s difficulties regarding which heroes he should emulate. Substantial passages involve the knight’s perplexing decisions to fashion

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11 For indications of the deep impact that Mariana’s work had on Cervantes, see Fernández-Morera (2009), Liu (2007), and Graf (2011, 2013).
himself after a shifting series of fictional and quasi-historical champions: Palmerín de Inglaterra, Amadís de Gaula, Bernardo del Carpio, “El Cid” Rodrigo Díaz de Vivar, Reinaldos de Montalbán, Abindarráez, the Marqués de Mantua, the Caballero del Febo, etc. One scholar describes Don Quijote’s neurotic indecision as reflecting his society’s “crisis of exemplarity,” the end result of a process by which classical models of humanist virtue lost their persuasiveness over the course of the sixteenth century (Hampton). Readers of Mariana, however, can see how specifically this crisis coincides with the Jesuit’s own scientific demolitions of the myths of Spanish history. With Alfonso X “the Wise,” Enrique II of Trastámara, and now both Philip II and Philip III all unveiled as adulterating tyrants, is it any wonder that Don Quijote turns to fiction before wandering out on an impoverished Castilian landscape in an elusive quest for justice?

Beyond Don Quijote’s identity crisis, we also find Mariana’s thoughts on money and politics insinuating themselves into the most intricate ironies of Cervantes’s novel. From the outset, as the aging hidalgo proceeds to sell off his estate to finance his consumption of militant fantasy literature, his household management might be said to resemble that of the Spanish Empire. The fact that a full three quarters of his income goes to food suggests that price inflation is now chipping away at any benefit he enjoys via his tax-exempt status (1.1). Leaving home, he remains in utter denial of economic reality. The first innkeeper actually has to inform him that adventures require money (1.3). In his first act as a “caballero,” he intervenes in a labor dispute that has all the markings of an allegory about the effect of the Habsburg’s new monetary policy upon future generations (1.4). Don Quijote finds Juan Haldudo brutally whipping Andrés, and when he orders him to fork over the youth’s back pay, the farmer sarcastically says that he will happily do so, with interest even. The mad knight responds that he will waive the interest so long as he pays the salary he owes him in reales—i.e., good silver coins instead of adulterated copper ones. A few chapters later, the second narrator’s determined haggling with Moriscos over the lost manuscript, which he finds in a heap of papers destined to feed silkworms, twice highlights the subjective theory of value, with the added irony that Spain’s silk industry is about to be destroyed by the government’s expulsion
of these same people (1.9). Later still, Don Quijote’s dismissals, or dissembling postponements, of Sancho’s repeated requests for a salary again make manifest an elitist disregard for the rules of the modern market economy (1.18, 1.20, 1.46, 2.7, etc.).12

Even more intriguing, Don Quijote contains numerous ironic allusions to Gresham’s Law. The novel’s first explicit pun involves just such an allusion. The description of Rocinante—“he had more quarters than a piece of eight”—refers to cracks in a horse’s hoof owing to poor care, improper shoeing, injury, or any number of diseases; but it also plays off the decay of the Spanish money supply, which is taking place from the ground up, so to speak, via the Habsburgs’ devaluations of the vellón cuarto coin (1.1). Despite the official exchange rate of sixty-eight cuartos per real, it now took more quarters to buy a piece of eight as people responded to the new policy by spending copper and saving silver. Toward the heart of the novel, Sancho’s fortuitous discovery of one hundred gold pieces hidden inside a suitcase in the Sierra Morena hints at the same practice—i.e., good money is being secreted away in response to the Habsburgs’ adulterations and mandated exchange rates (1.23). Indeed, throughout the Sierra Morena episodes, Cervantes appears to riff off the two senses of “adultery,” the one having to do with sexual infidelity, the other with falsifying coinage. Again, when the squire fantasizes about getting rich by importing black slaves from the Kingdom of Micomicón to Spain, his racialist metaphor, “as black as they be, I will turn them back into white or yellow,” overtly references the darker, oxidized copper coins that are now pushing out silver and gold (1.29). The phrase also wryly acknowledges the counterfeit billon industry that sprang up on Spain’s borders in response to the artificial rise in the price of copper caused by the Habsburg policy (Lea, 1906, pp. 560–566). And in part two, when Ricote offers to pay Sancho two hundred gold pieces to assist him in recovering his treasure, we can read Cervantes drawing an astonishingly complex and critical parallel between the exile of the Moriscos and the outflow

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12 For the tragic irony of the silk industry and the Toledo manuscript as well as more on the drama of Sancho’s salary in Don Quijote, see the wonderful book by Carroll B. Johnson (2007). I believe that Johnson misfires by reading Cervantes as a critic of the free market per se rather than as an ironic observer of the dangers of governmental interference therein.
of good money from Spain: mutually reinforcing socially immoral and economically unwise policies (2.54).  

With Sancho’s and Ricote’s monetary evasions and Mariana’s denunciations of the Habsburg policy in mind, it is difficult to avoid a deeper, truly bourgeois understanding of gold permeating Cervantes’s masterpiece. As ambassador Warren Randolph Burgess once explained, gold puts natural limits on the powers of government, making it “historically one of the best protections of the value of money against the inroads of political spending.” And as Austrian economist Joseph Schumpeter pointed out, this is precisely “why it was so popular in the bourgeois era. It imposes restrictions upon governments or bureaucracies that are much more powerful than is parliamentary criticism. It is both the badge and the guarantee of bourgeois freedom—of freedom not simply of the bourgeois interest, but of freedom in the bourgeois sense” (quoted by Woods, 2009, pp. 114–116). The ironies of Don Quijote’s attitudes toward gold accentuate his romantic, tragicomic status: early on, he can be a meddling, oppressive bully; other times, especially in the second part, he rises to the role of defender of justice. In his famous “Golden Age” speech the knight clearly understands that the difficulty of mining gold makes it a store of value, but his nostalgia for some sort of prehistoric Platonic communism that would obviate private property leaves much to be desired (1.11). In the lion episode, however, which elicits the Morisco narrator Cide Hamete’s most effusive praise, the hero symbolically defies not just a royal beast but also what fellow hidalgo Diego de Miranda at first thinks must be a wagon bearing “the King’s money” (2.17). Sancho’s tip of two gold pieces to the driver and the lion keeper, followed by the latter’s promise to relate the knight’s challenge to “the very King himself when he appears at Court,” conclude

13 For more on the Ricote episode and the gold standard, see Liu (2007).

14 For different views of Don Quijote’s “Golden Age” speech, see Geoffrey Stagg (1985) and Francisco Pérez de Antón (2003). Stagg details the philological history of the trope and Pérez de Antón assesses the same as a trans-historical delusion also found at the roots of both Marxism and liberation theology. Like Pérez de Antón, in her recent book, Susan Byrne holds that Cervantes himself is here being critical of private property, endorsing the knight’s nostalgia for Platonic communism (2012, p. 42). I hold that a more Marianan-inspired irony is at play and that Don Quijote is rhetorically abusing the hospitality of his hosts.
the episode with flippant gestures in the direction of Philip III. Later, it is hard not to see a related slap at the same monarch when Governor Sancho, who reigns according to Don Quijote’s princely advice, metaphorically contravenes the policy of inflation by finding ten gold pieces hidden in a cane, thereby exposing a debtor’s illicit attempt to avoid paying his creditor (2.45). Viewed this way, the novel contains a whole slew of loaded phrases that bring Mariana’s protests to mind, such as Don Quijote’s quip at the beginning of part two that “historians who avail themselves of lies ought to be burned like those who counterfeit money” (2.3), or the subtly misallocated Latin phrase in the first prologue, “Non bene pro toto libertas venditur auro” ‘There is not sufficient gold to buy back the loss of liberty.’

If politicized allusions to money are not enough to indicate Mariana’s importance for Cervantes, Don Quijote also contains, particularly in part two, a consistent critique of the decadence of the courtly governing classes, and even insinuations of the Jesuit’s constitutional nostalgia for Aragon. Critics often marvel at the burst of Solomonic and Platonic wisdom that Sancho displays when he finally gets his island. His perceptive ruling in favor of the creditor strikes me as a case in point. But some of the final decrees in “The Constitutions of the Great Governor Sancho Panza” are ironically flawed from both Salamancan and Austrian perspectives. When he fixes the price of shoes, we know that this gesture obviates much of what was good about his reign, for he has effectively lowered the quality and the quantity of footwear available to the fictional citizens of Barataria (2.51). Similarly, his prohibition against hoarding is bound to have disastrous effects. And what are we to make of the fact that Governor Sancho accepts two hundred gold pieces from the malicious Duke while refusing to take the same sum from Ricote to assist him in the recovery of his fortune? After retiring from Barataria, Sancho repeatedly claims to have governed beyond reproach—“I have governed like an angel”—but the bias he subsequently displays against his Morisco neighbor suggests that a more sinister chain of command has taken hold in the real world (2.53-54).15

15 In the context of the connections between Cervantes and Jefferson that I will soon discuss, it is quite difficult not to see a parallel between Sancho’s “angelic” defense of his art of governing and James Madison’s famous lines from Federalist
The other dreadful irony at the heart of the novel’s second part is the fact that Zaragoza, the constantly named objective that remains just out of Don Quijote’s reach, was also the site of an Aragonese Cortes tradition in which, unlike the tripartite Castilian tradition, hidalgos actually had political representation as a fourth estate. All remnants of said tradition were put to the sword by Philip II when he invaded Aragon in 1591, and just like Mariana, Cervantes appears chagrined by that outcome. Scholar Quentin Skinner once noted that the collapse of late medieval republicanism in Western Europe, which coincided with the rise of the early modern authoritarian super states, was marked by an intellectual return of the tradition of educating princes by guiding them toward the light of reason via utopian curriculums (“Political Philosophy” 441–452). But libraries have been burned, allegorical caves remain dark dreamscapes, and no Platonic island paradise awaits us at the end of *Don Quijote*. Another of Cervantes’s recourses to Latin, which is found in Don Quijote’s last letter to Governor Sancho, “Plato amicus, sed magis amica veritas” ‘Plato is a friend, but a greater friend is the truth,” harmonizes perfectly with the anti-monarchical neo-Aristotelian melancholy of late Scholastics like Mariana. Which is to say that there is something not just “curiously impertinent” about *Don Quijote*, but that, as per so many of its aspects, such as the lion episode, the aborted nostalgia for Aragon, and the consistent pro-Morisco theme, there is in fact something downright tyrannicidal about the novel. I submit that Cervantes announced his angry political sentiment as early as the first prologue of 1605 when he made recourse to an old Spanish proverb: “debajo de mi manto, al rey mato” ‘beneath my cloak, I kill the king.’

*Don Quijote* is massive and complex, on the order of the entirety of Shakespeare’s tragedies, but if I had to pick one coetaneous

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16 For a more detailed look at the political tension between Plato and Aristotle in part two of *Don Quijote*, see Graf (2013). For a thorough look at the epic struggle between utopian thinking and limited constitutional government, see Levin (2012).
writer who sheds the most light on the novel, it would be Mariana, who not only articulated the intellectual thrust of Cervantes’s bitter bourgeois irony but who directly confronted the same Habsburg tyrants against whom the novelist consistently tilts. In my view, like Mariana, Cervantes defends liberty in a materialist sense, i.e.—*Don Quijote* is not just about the abstract right to “dream the impossible dream” but, rather, the tangible right to live free of the monetary, legal, religious and even military oppressions directed by an imperious State hell bent on the daily mugging, enslaving, exiling, and killing of its citizens.

**JEFFERSON, CERVANTES, AND MARIANA**

The two aspects of Thomas Jefferson’s thought that have most influenced modern American libertarianism are his emphasis on the vitality of revolution and his opposition to central banking. In the case of the latter, Jefferson was so wary of institutional promissory notes that his censure extended to banking in general—i.e., beyond his well-known alliance with James Madison in opposition to Alexander Hamilton’s plan for a national bank. It would be difficult to exaggerate the radicality of his views on these issues, which are found in oft-cited letters containing hyperbolic expressions of love for political violence and hatred of government-backed fractional lending and deficit spending by both federal authorities and private institutions:

> The spirit of resistance to government is so valuable on certain occasions, that I wish it to be always kept alive. It will often be exercised when wrong, but better so than not to be exercised at all. I like a little rebellion now and then. It is like a storm in the Atmosphere. (“Letter to Abigail Adams, February 22, 1787,” in Capon, 1987, p. 172)

> And what country can preserve its liberties, if its rulers are not warned from time to time, that this people preserve the spirit of resistance? Let them take arms. The remedy is to set them right as to the facts, pardon and pacify them. What signify a few lives lost in a century or two? The tree of liberty must be refreshed from time to time, with the blood of patriots and tyrants. It is its natural manure. (“Letter to William Stephens Smith, November 13, 1787,” in Boyd, 1955, p. 356)

> My own affections have been deeply wounded by some of the martyrs to the cause, but rather than it should have failed, I would have seen half the earth desolated. Were there but an Adam & Eve left in every country,
& leave free, it would be better than as it now is. (“Letter to William Short, January 3, 1793,” in Peterson, 1984, p. 1004)

Bank-paper must be suppressed, and the circulating medium must be restored to the nation to whom it belongs. (“Letter to John Wayles Eppes, 11 September 1813,” in Looney, 2010, p. 494)

I sincerely believe, with you, that banking establishments are more dangerous than standing armies; and that the principle of spending money to be paid by posterity, under the name of funding, is but swindling futurity on a large scale. (“Letter to John Taylor, 28 May 1816,” in Ford, 2010, p. 533)

Jefferson’s lifelong interest in Cervantes is evidenced in a number of letters in which he recommends the Spaniard’s great novel to friends and family alike. Quite simply, as Alison P. Weber puts it, “the Quixote was one of the books Jefferson could not live without” (2009, p. 407). Furthermore, his statements suggest “that Jefferson interpreted Cervantes’ attitude toward his protagonist as critical yet not entirely unsympathetic” (p. 403). In other words, Jefferson understood the author Cervantes as essentially skeptical of authority and the character Don Quijote as the target of his satire, but not exclusively so—i.e., he saw the knight as an overreaching menace, but he also noticed that he was not always off the mark. Weber assures us that Jefferson did not read Cervantes as did the Romantics, by which she means that he did not take him to be a disillusioned fatalist in the spirit of Heine or Schelling (pp. 404–405). Nevertheless, as many of the extreme quotes that we have seen here from Jefferson as well as Mariana attest, the “gentle reasonableness” of Enlightenment thinkers can be as overstated as that of their Renaissance forebears. Jefferson may not have had time for literary analysis, but that does not mean that he did not intuit and perhaps even internalize the deeply radical aspects of Don Quijote. His respect for Cervantes’s achievement strikes me as tantalizingly in tune with his hatred of authoritarian government and central banking, and perhaps even indicative of some deeper tragic sense of his own weaknesses.17

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17 American philosopher Leo Strauss struggled to advance a Socratic vision of American liberalism as a broadly defined hybrid creature he called “aristocratic democracy,” which would be constantly reassessing its own values as a way of avoiding the pitfalls of socialist populism. Interestingly, he cites Jefferson’s idea of the best government as that which allows for “a pure selection of natural aristoi into offices” (1989, p. 55), but his view of Don Quijote is decidedly more tragic, comparing his role to that of Socrates in Aristophanes’s Clouds: “Socrates owes his
Of greater interest might be Jefferson’s connection to Mariana. There is no evidence that he was familiar with Mariana’s confrontations with the Habsburgs in *De rege* or *De monetae mutatione*, which might lead us to resign ourselves to the Jesuit’s indirect influence on the Virginian’s political and monetary views by way of Cervantes, Locke, and so many others. But as it turns out, we are free to go much further, for Jefferson had a copy of Mariana’s *Historia de España* in his personal library (Sowerby, 1952–1959, 1.79). In fact, according to a letter by Jefferson dated September 1, 1785, after an unsuccessful quest for a certain tantalizing “collection of tracts on the economies of different nations,” he did manage to secure and ship an English translation of Mariana’s history from Paris to his dear friend and fellow revolutionary Madison (Jefferson, [1785] 2013). This book could only have reinforced Jefferson’s animus against bank paper and, for this academic at least, it is exciting to imagine the legendary hard-money attitude of the author of the Declaration of Independence gaining significant momentum from Mariana’s running commentary against the monetary manipulations of the most beloved Spanish kings. And who knows? It is just possible that prior to his letter to Madison, Jefferson had spent the summer of 1785 searching for an unknown volume of economic treatises that would have contained a copy of Mariana’s *De monetae mutatione*.

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downfall to a man who seeks light in the most literal sense, to a kind of Sancho Panza, to a rustic who has lost his bearings or has gone astray. It will do no great harm if this comparison suggests a similarity between Aristophanes’ Socrates and Don Quixote” (p. 119).
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