



Edited by
David Howden · Philipp Bagus

The Emergence of a Tradition: Essays in Honor of Jesús Huerta de Soto, Volume I

Money and the Market Process

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CONTENTS

Jesús Huerta de Soto: A Biographical Sketch	1
David Howden and Philipp Bagus	
The Origins of Austrian Economics in the Treaties of the Theologians of Salamanca	15
Anton Afanasiev	
Would a Retail Central Bank Digital Currency Achieve Its Intended Purpose?	23
Romain Baeriswyl	
The Disinterventionist Spiral	35
Philipp Bagus	
The Spontaneous Issue of Lancashire Bills of Exchange as Money	47
Toby Baxendale	
Jesús Huerta de Soto as Scholar, Teacher, and Academic Entrepreneur: A View from the US	55
Peter J. Boettke	

Rehabilitation of the Bankrupt Firm: Property Rights and Entrepreneurship	59
Francisco Cabrillo	
The Place of <i>Money, Bank Credit, and Economic Cycles</i>, in the Austrian Tradition of Economic Treatises	69
Óscar R. Carreiro	
Human Behavior and Austrian Economics	83
Leef H. Dierks	
The Austrian Theory of Consumption Period Planning: Some Neglected Contributions from the Interwar Period	89
Richard M. Ebeling	
History and Economic Theorizing	113
Carmelo Ferlito	
Beyond Public Choice	123
Eduardo Fernández Lujá	
The Austrian Defense of the Euro in Light of Luigi Einaudi's Quest for Sound Money	133
Bernardo Ferrero	
Economic-Societal Order and Business Order: Efficient Configuration of the Business "Environment"	147
Santiago García Echevarría	
Defining Money	159
David Howden	
Investment Under the Theoretical Framework of the Austrian School of Economics	179
Juan Huerta de Soto Huarte	

Financial Markets and the Production of Law Jörg Guido Hülsmann	191
The Capital Asset Pricing Model: Dead and Kicking Massimiliano Neri	209
A Brief Note on Bank Circulation Credit and Time Preference Thorsten Polleit	227
Dynamic Efficiency, Economic Development, and the Ethics of Property Shawn Ritenour	237
Puviani on Smith on Taxes Carlos Rodríguez Braun	253
Milton Friedman's Views on Method and Money Reconsidered in Light of the Housing Bubble Joseph T. Salerno	263
Hayek's Overinvestment Theory and the Stability of the Euro Area Gunther Schnabl	293
The Two Gresham's Laws: Parallel Currencies in a Small Country Pedro Schwartz	307
Dynamic Efficiency in the Process of Desocialization Josef Šíma	319
The Greatest Economist Who Ever Lived Mark Skousen	327

The Entrepreneur and Entrepreneurship: A Practical Framework for Firm Analysis	343
Juan Torras	
Well Rooted Lessons, Odd Offshoots, and the Realization that the Fruit Has Not Fallen Far from the Tree	355
Leonidas Zelmanovitz	
Index	363

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LIST OF FIGURES

The Austrian Theory of Consumption Period Planning: Some Neglected Contributions from the Interwar Period

- Fig. 1 Rosenstein-Rodan's time planning under uncertainty.
Source: Rosenstein-Rodan (1934) 100

Defining Money

- Fig. 1 A categorization of financial assets. Source: Howden (2015a, p. 46) 164
Fig. 2 Money's four roles revisited. Source: Howden (2015a, p. 49) 168
Fig. 3 Risk and uncertainty types. Source: Howden (2015b, p. 15) 173

The Capital Asset Pricing Model: Dead and Kicking

- Fig. 1 The efficient frontier. Source: Fama and French (2004) 211

A Brief Note on Bank Circulation Credit and Time Preference

- Fig. 1 Decline in time preference 230
Fig. 2 Increase in bank circulation credit and the societal time preference rate 231

Hayek's Overinvestment Theory and the Stability of the Euro Area

- Fig. 1 Officially measured and perceived inflation in the Euro area. Source: European Commission. Perceived inflation as median 301
- Fig. 2 Trust in the European Central Bank. Source: European Commission, Eurobarometer 301
- Fig. 3 IWP Index of Trust: EU27 PLUS_SPI United Kingdom. Source: Müller and Schnabl (2021) 303

The Greatest Economist Who Ever Lived

- Fig. 1 Four stages of production of bread. Source: Skousen (2015, p. 34) 336
- Fig. 2 Taylor's four-stage diagram of the production of a cup of espresso. Source: John B. Taylor Economics (2004, p. 147) 336
- Fig. 3 A 5-stage generalized industrial model of Hayek's triangles. Source: Garrison (2001) 337
- Fig. 4 Universal four-stages of production model. Source: Skousen (2015, p. xviii) 338

The Entrepreneur and Entrepreneurship: A Practical Framework for Firm Analysis

- Fig. 1 Our graphical-analytical framework 350

LIST OF TABLES

The Austrian Theory of Consumption Period Planning: Some Neglected Contributions from the Interwar Period

Table 1	Carl Menger's single period marginal income allocation	94
Table 2	Hans Mayer's multi-period consumption period planning	97
Table 3	Oskar Morgenstern's multi-period consumption period planning	103
Table 4	Oskar Morgenstern's economic period planning over multi-income periods	104



Jesús Huerta de Soto: A Biographical Sketch

David Howden and Philipp Bagus

Thousands of leaflets rained down on the theater goers. The Spanish civil war had just ended and there was as much uncertainty as to Spain's future as ever. The military dictatorship of *El Generalissimo* Francisco Franco had held strong power over the country since the war's end in 1939. Dissenters existed, quietly for the most part, biding their time until the country would be prepared for another change of power. Among these dissenters were the communists and their sympathizers. But other claims to the Spanish government also existed. For Jesús Huerta Ballester the obvious and rightful claimant was Don Juan, the count of Barcelona: King in exile and claimant to the Spanish throne as Juan III.

Jesús Huerta threw these leaflets helter-skelter in the crowded theater before running for the exit. Yelling “fire” in a crowded theater was more

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than enough reason to be paid a visit by the police. This act of political subversion, small as it was, was all the more so.

As the leaflets rained down the curious theater goer could read for himself the simple message:

Ni comunismo.
Ni enchufes políticos.
Monarquía.
Viva Juan III.

Neither communism.
Nor corrupt politicians.
Monarchy.
Long live Juan III.

The brief message was clear. There was no future to be found in the politicians in power, nor in the communist pretenders. The country's best hope laid in the restoration of the Bourbon monarchy.¹

Jesús Huerta de Soto Ballester, known today chiefly as an economist and political theorist, was born to this Jesús Huerta Ballester. If Jesús the younger is known as one of the loudest liberal voices in the Spanish-speaking world, it was from his father, Jesús the elder, that this quality emerged.

A lieutenant in the Spanish Marine Corps, Jesús Huerta Ballester was proudly Spanish but not deceived by the peace the fascists carved out after the civil war. A classical liberal, he kept a well-stocked library in the family's home at 38 Príncipe de Vergara street in Madrid. Milton Friedman's 1962 classic *Capitalism and Freedom* lay hidden among the broken spines. When a young Jesús Huerta de Soto stumbled on the book at the age of fourteen, he was immediately drawn to the premises. Primed as he was from his father, he quickly absorbed the message of freedom. Capitalism was necessary for a liberal society. Not the liberal society emerging on the West coast of the United States in Universities like Berkeley, but in the European tradition stemming from the Scholastics and the Enlightenment. Spain was in the midst of a dictatorship that had sealed the country off from the new cultural and intellectual currents gaining traction in the Western world. From his home in Madrid, Jesús was well-positioned to

¹For his subversive actions, Jesús the father was jailed, fined 50,000 pesetas, and had his passport revoked.

understand Friedman's new message in the context of an intellectual climate of a time long past.

It wasn't what Friedman wrote that hooked young Jesús, though it certainly didn't hurt. It was the words that Friedman did not write. It was the "radicals," mentioned but not developed in detail, that captured his attention. According to Friedman, "Recognizing the implicit threat to individualism, the intellectual descendants of the Philosophical Radicals—Dicey, Mises, Hayek, and Simons, to mention only a few—feared that a continued movement toward centralized control of economic activity would prove *The Road to Serfdom*, as Hayek entitled his penetrating analysis of the process." The "road to serfdom" surely described what the young Huerta de Soto saw before his eyes. Who were these thinkers that presciently warned of its arrival?

If there was a message to take away from Friedman's tome, it was that the free society required capitalism to flourish. The teenage Huerta de Soto was sold. He would dedicate his life to studying economics in a bid to help freedom prevail.

Of course, University would get in the way of these plans. Enrolling in October 1973 in the Universidad CEU San Pablo, then a branch campus of the venerable Complutense University of Madrid, the seventeen-year-old Jesús chose to study law, economics, and actuarial science.² Richard Lipsey's introductory textbook, *An Introduction to Positive Economics*, was how Jesús cut his teeth learning economics in a formal setting. Here that name, Mises, popped up again. This time there was a book associated with it: *Human Action*. Finally, something tangible for Huerta de Soto to latch on to. The only problem was that such books, much less English language books, were not just found in any bookstore on the streets of Madrid in the early 1970s. Still, the lead was revealed and now Jesús knew where to look to find this alluded to but never fully revealed Mises character.

But then, God reveals himself in mysterious ways. Joaquín Reig Albiol, the son of a Spanish liberal politician from Valencia, stumbled upon Henry Hazlitt's Newsweek review of *Human Action* some decades earlier. Ordering the book from the United States, Reig was entranced by the beauty and clarity of the analysis. Completing his doctoral studies on the works of Ludwig von Mises, it was Reig who translated the treatise into

²Decades earlier, Huerta de Soto's grandfather, Jesús Huerta Peña, would become the first actuary in Spain.

Spanish. And it was this Reig translation that Jesús Huerta de Soto would stumble upon accidentally, though as if he were directed by a greater power, in a quiet Madrid bookstore.

Armed with what would have to suffice for the embodiment of Mises, Jesús devoured the work. If his mind was open to the ideas, his eyes were closed to the intellectual community that emerged after the Spanish civil war, and especially after the 1960 Spanish language translation of *Human Action*. This absence would change following a serendipitous late-night meeting with an old friend of his father.

At home in the Príncipe de Vergara apartment, the same apartment he was born in and below which he would work as president of the life insurance company to this day, Jesús studied *Human Action*. The hour was late, even by Madrid standards. Jesús's father returned home with José Ramón Canosa, friends since their time together in the Spanish Marine Corps. If the food was plentiful while the two friends caught up, the drinks were more copious. Tipsy, but no worse for the wear, José Ramón captured the student reading this single text at his desk—his lone insight into the liberalism of Mises.

“Do you like the book?” José Ramón asked. “I have a friend who runs a seminar. They discuss Mises. Maybe you would like to attend?”

The seminar in question was organized by the Reig brothers—Joaquín, the Spanish translator of *Human Action*, and his brother Luis. The members of the group read like a “who’s who” list of the Spanish liberal community of the early 1970s. Lucas Beltrán Flórez, professor of economics at the Complutense University of Madrid and Huerta de Soto’s future doctoral advisor, was there. Also present was Julio Pascual Vicente, chief economist of the Union of Spanish Entrepreneurs. Alfonso Enrique de Salamanca and the two Reig brothers were stalwart attendees. And a young Pedro Schwartz, rightly proud of his recently completed studies under Karl Popper at the London School of Economics, figured large.

Young Jesús became a consistent figure at the gathering. So too did his father, at least for the first two years. Still younger than the driving age of eighteen, the elder Huerta Ballester dutifully drove his son to the meetings and the two immersed themselves in the intellectual climate together.

The publication of Rothbard’s *For a New Liberty* was a turning point for many classical liberals. Coming in the midst of the Vietnam War, the book was a controversial reader for the average conservative. But it carved out a niche and a way forward for the determined libertarian. Instead of being a response to socialism, libertarianism emerged, in Rothbard’s view,

as a response to conservatism. A faithful application of the doctrines of self-ownership and homesteading results in a bold anarcho-capitalist view of the world.

The book was controversial within broader circles, but also within the Reig seminar. Joaquín was a classical liberal, similar to Mises. His brother Luis took the anarcho-capitalist stance, following Rothbard. Indeed, as the death of Franco neared the seminar's focus would sometimes turn to the political future of Spain and what the best way forward would be. After reading *For a New Liberty* Jesús Huerta de Soto could see no other option: anything less than full anarcho-capitalism would be a failure. Many others take the route of getting "softer" and more forgiving as they age. With Jesús one gets the opposite impression: he seems to become more "radical" with each passing day.

The library in the family home was soon inundated with a flood of new books. Hundreds of books, as Jesús ordered primers and tomes alike to augment his formal studies at university. This autodidactic intellectual fulfillment rivaled his degree as the foundation for what would come later. In class, Jesús would come to be known as a gadfly, always questioning his professors and demanding clarifications. If he was persistent with his questioning, they were not the demands of an ill-informed student. Jesús would frequently pass his classes with the *matricula de honor*, the highest grade in the class. At seventeen, Jesús passed his *Bachiller Superior*—pre-University studies necessary for admission to the Spanish University system until 1977—with the highest grade in his class. His undergraduate degree (a five-year *licenciado* in the Spanish system at the time) in law was conferred on September 23, 1978, *cum laude*. His accreditation as an actuary followed soon after, also *cum laude*. His *licenciatura* in business and economics (with specializations in economics and finance) followed on December 4, 1981, also *cum laude*.

With his formal studies done, Jesús was bound by his name to start work at the company his grandfather founded. He would be the third Jesús Huerta to run the company. Not surprisingly, his own son, aptly named Jesús Huerta de Soto works alongside him and is the only employee to leave the office later than his father. And this Jesús Huerta de Soto's son, not surprisingly also named Jesús Huerta de Soto, will someday be the fifth of his name to run the company. On September 1, 1978, at the age of twenty-two, Jesús started working in the professional capacity his name fated to him.

But through this all, the itch to study, to understand the world, kept gnawing at him. The seed that Friedman sowed—that capitalism was necessary for a liberal society—was being germinated all these years. It just needed space to flourish. Not content to terminate his studies and enter the working world fulltime, Huerta de Soto applied to study in the United States. Being the recipient of a prestigious scholarship offered by the Central Bank of Spain, the University of Pennsylvania, Berkeley, and Stanford all offered Jesús a spot in their MBA programs. The wealth of options created a new and obvious problem: which to choose?

In the end the choice was easy. Jesús's future wife, Sonsoles, had recently moved to California for postgraduate studies in the psychology of education at UCLA. During her sophomore year she transferred to Stanford. With his future happiness on the line, the decision of which MBA program to attend required no further thought.

If the decision was swift and sure, its ramifications were long-lived. Sonsoles and Jesús would go on to have six children (and, at present, eighteen grandchildren). If Huerta de Soto has had a particularly productive career, like most men he points first to his wife when asked how. It was Sonsoles's care of the family and household that gave him the time to study and write. He is the first to admit that his academic and professional achievements are as much her achievements as they are his.

In hindsight, although the decision to study at Stanford was based on reasons only the heart knows, it had important repercussions also on his intellectual development.

The next two years saw the couple living a sinful life together in Stanford. Jesús graduated with his MBA in 1983. But before returning to Spain, he had the opportunity to meet many of the key figures of not just the American libertarian cognoscenti, but also those who came to define the Austrian School of Economics following the death of Ludwig von Mises in 1973. Chief among these were Friedrich Hayek, Murray Rothbard and, later on, Israel Kirzner.

The depth and erudition of the young Huerta de Soto was immediately apparent to all three scholars. Hayek was impressed by the degree to which Jesús marked up without prejudice the copies of his works. At times it seemed as though the Austrian was speaking to one of the few men who actually read *The Pure Theory of Capital*. Even more impressive, this young Spaniard, perhaps a distant relative from a Habsburg Empire long past, seemed to understand the rehabilitation of capital theory that Hayek struggled with. Rothbard was caught off guard by the foreigner. He was

funny and seemed to have read and absorbed everything that Rothbard wrote—like a silent observer from thousands of miles away.

Although he would not have the opportunity to meet Kirzner until later, it was this scholar that most affected Huerta de Soto's general approach to economics. The publication of *Competition and Entrepreneurship* in 1973 was a watershed moment. It exposed the degree to which Austrian ideas could be bridged with those prevailing in the mainstream, but without the neoclassical baggage that normally marked the synthesis. Rothbard had pioneered a similar approach earlier in *Man, Economy, and State*, but had been bogged down by the standard use of supply and demand curves. In Kirzner the baggage was shed, and the analysis was freed of its neoclassical shackles. Austrian economics was given another pure revival, similar to that which followed Mises's publication of *Human Action*.³

By 1982, Hayek proposed to the Mont Pelerin Society to admit Huerta de Soto as a member. At that year's meeting in Berlin he became, at age twenty-six, the Society's youngest member.

Returning to Spain to resume his position at the helm of the family business and start his family, his attention once again turned to his formal studies. At the direction of Lucas Beltrán Flórez of the Reig seminar, Huerta de Soto completed his doctoral studies in law at the Complutense University of Madrid in 1982.⁴ Graduating *cum laude*, his thesis on private pension plans went on to win in 1983 the *International King Juan Carlos Prize for Economic Studies*. (To this date he is still the youngest recipient of the honor.) At a ceremony the award was bestowed on Jesús by the King of Spain himself, Juan Carlos I. The man Huerta de Soto's father backed to be King, Juan III, never ended up on the throne. But the elder Huerta could take some pride in seeing his son awarded this prize by the would-be monarch's son. For his part, the young Huerta de Soto gladly used the prize money to make sure his father would not have to chauffeur him any longer; he bought his first BMW.

³When pressed on the mistakes that his intellectual heirs have made, Huerta de Soto is forthcoming. Mises advocated subsidies for the opera. Kirzner believed that some evolved outcomes could be suboptimal even in the absence of government interventions. Hayek, despite his great contributions, took many missteps that set his theories down dead ends. Rothbard is the only economist that Huerta de Soto sees as having completed his life's work without making a single mistake.

⁴Beltrán Flórez spent 1931 and 1932 at the London School of Economics where he studied under Lionel Robbins and Friedrich Hayek.

A second doctoral degree in economics followed in 1992, also at the Complutense University. Here Pedro Schwartz, yet another colleague from the Reig seminars, served as his thesis director. The topic now turned to the controversy surrounding economic calculation under socialism.

The financial independence the family insurance company endowed him with gave Huerta de Soto intellectual freedom. In the wrong hands such freedom can turn to bedlam. History is full of such wasted opportunities. Karl Marx famously used Engel's financial support to rail against the capitalist class. In doing so he harmed no one more than the proletariat—those downtrodden he aimed to embolden.

Huerta de Soto would not fall into the same trap. He persevered to not compromise his beliefs, or to suffer any intellectual infidelities. But above all, he never turned silent when truth needed to be defended. The problem with defending one's principles is that it can be costly. As a consequence of debating with the tribunal for their neoclassical views, he was failed twice during the appointment procedures to become *catedrático*, the highest class of professor in the Spanish University system.

It was only on his third attempt in the year 2000 that he secured his chair at the Rey Juan Carlos University.⁵ With this position in hand he gained personal prestige.

His new position as *catedrático* also brought with it some degree of political power within the University. It would have been easy to use this power to elevate himself further. A lesser man might use his might to punish those who held him back previously. For Huerta de Soto, the accomplishment was an opportunity to give back positively, and build something so that young scholars would not have to suffer as he had.

The first officially accredited postgraduate program in Austrian Economics world-wide opened its doors in 2007. Students flocked from around the globe to be guided by the master himself. At Huerta de Soto's weekly seminar, the observer who closes his eyes will focus his ears on two things. Most obvious is Jesús's voice, simultaneously shouting theories and assuaging the listener's doubts. Like any good Southern European, Huerta de Soto uses not just his voice to be understood. His fists pound each other, and his knuckles rap the wooden table to bring the listener to a

⁵Three universities have conferred on him, at present time, honorary doctorate degrees: Universidad Francisco Marroquín, Guatemala (2009); University Alexandru Ioan Cuza de Iasi, Romania (2010); and the Financial University under the Government of the Russian Federation (2011).

higher level of consciousness. More importantly, in the background, a noise hardly louder than a church mouse, fills the air. This is not the sound of knowledge being imparted, but of being received. The scratching and scrawling of dozens of student's pens on paper. Scribbling furiously to not miss a word. Writing on their knees as they sit in an overcrowded room, sweating in the sun of the early Spanish evening.

It is from this room that these students spring their careers forward. To date several hundred well-trained Austrian economists have passed through Huerta de Soto's seminar. Many of these have gone on to obtain their doctoral degrees. Huerta de Soto has directed a staggering forty-one doctoral dissertations over the past two decades, building a school which will flourish and grow for years to come. Through these disciples, Jesús Huerta de Soto Ballester lives on.

These students, under the watchful eyes of Huerta de Soto, will go on to evangelize the world. For the visitor the feeling is that something very special transpires each Thursday evening at Huerta de Soto's main postgraduate seminar. Like clockwork, the weekly enlightenment resumes with a renewed intensity, picking up from that exact point where it left the week prior. Huerta de Soto arrives promptly, never late to class. His aide parks the golden Bentley in the choicest of parking spots. (There is no name to reserve it, but it stands empty, seemingly all week, until Huerta de Soto's arrival.) The bronze bust of Mises, omnipresent at all events associated with the postgraduate program, is moved ceremoniously from his office to the head of the seminar table. An Aquarius, lightly chilled, sits to the right of his seat. His lecture notes, in the middle.

And then enters the man. Taking his seat at the head of the table, he sets his keys beside the soft drink. His key chain, a gold 50 peso Mexican Libertad coin, shines beside the pale blue can, sweating in the afternoon heat.⁶ The lecture begins. Students and visitors are in the presence of something new, for the seminar takes a life of its own each week. A feeling pervades that those present are in unchartered territory, that area of economics that cartographers from centuries prior would have marked with a dragon. But for Huerta de Soto, banging the desk as he preaches Austrian economics, Misesian classical liberalism, Rothbardian anarcho-capitalism,

⁶Although normally thought of as a standard one ounce gold coin, the Libertad contains 1.2 troy ounces of gold. This makes it the largest of the standard ounce denomination coins. Like many an advocate for sound money, Huerta de Soto also never leaves home without a trusty gold American Eagle in his pocket.

Hayekian evolution, and the Kirznerian synthesis, there is a profound familiarity to the whole scene.

Sitting beside him through the whole experience is the bust of Mises. It too was at the Reig seminars some fifty years prior. Luis gifted it to Huerta de Soto, two copies of it actually. These two replicas of Mises cast their gaze where Huerta de Soto needs the inspiration most: those spaces where he works. One rests in his academic office at the University where he does his professorial work. The other in the office on Príncipe de Vergara Street where he does his professional work.

The weekly graduate seminar is the culmination of a journey decades in the making. For the observer it's a chance to absorb the fruits of that sometimes perilous trek. But for Jesús Huerta de Soto, it's just another step along the way.



Jesús first met Murray Rothbard (here with Sonsoles) while studying at Stanford in 1980. Rothbard's ethical foundations of libertarianism, ultimately rooted in an evolutionary legal system, proved influential to the young Jesús. The importance of the legal system to the economic sphere was a broad consideration that stuck with Jesús since his undergraduate years. He would extend Rothbard's codification of many nascent ideas more fully in his *Money, Bank Credit, and Economic Cycles*. To his credit, Rothbard is the only economist whose works Jesús can find no quibble with.



With Israel Kirzner in New York in 2006. The 1973 publication of *Competition and Entrepreneurship* introduced a seventeen-year-old Jesús Huerta de Soto to an economic analysis fully detached from any neoclassical roots. It would also spark his life's work in reconciling any differences between Mises and Hayek. Besides entrepreneurship as the focal point of their academic work, the two economists share an additional affinity. Neither uses a computer in his daily life, preferring to write articles, books, and personal correspondence on paper and have it transcribed to a computer only later.



Rocking; always rocking. Whether in his office or relaxing at sea, Jesús is never far from the rocking chair. Beside his office desk (devoid of any forms of technology other than a fountain pen), many a visitor will recall the squeak of his rocking chair vying for the listener's attention against the background din of the radio. The ferocious pace of rocking illustrates the unbridled enthusiasm for life the man has within.



With Nobel laureate James Buchanan at the 1993 Mont Pelerin Society meeting in Rio de Janeiro. Introducing his legal-economic analysis of banking to a large crowd for the first time, Huerta de Soto faced heavy resistance from his panel chair and, to his humiliation, had his speech cut short. Buchanan emerged as an unexpected defender with the Mont Pelerin Society, sparking a friendship that continued until his 2013 death.



The Origins of Austrian Economics in the Treaties of the Theologians of Salamanca

Anton Afanasiev

The works of Professor Jesús Huerta de Soto are well known to the Russian reader. Four of his books have been translated into Russian:

1. *The Austrian School: Market Order and Entrepreneurial Creativity*
2. *Money, Bank Credit, and Economic Cycles*

My acquaintance with Professor Jesús Huerta de Soto began with my fascination with the economic thought of the Spanish School of Salamanca of the sixteenth century in the early 2000s. The fact is that at that time in Russia very little was known about the School of Salamanca and the contribution of its representatives to economic science. Jesús is one of those academic scholars researching the economic heritage of Salamanca. Here are two anecdotal cases of my personal meetings with Jesús.

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3. *Socialism, Economic Calculation and Entrepreneurship*
4. *The Theory of Dynamic Efficiency*

In addition, in 2013 the journal *Economics and Mathematical Methods* published a Russian translation of his lecture dedicated to the memory of Professor F. A. Hayek's "Economic Recession, Banking Reform and the Future of Capitalism," read in 2010 at the London School of Economics and Political Science (Уэрта де Сото, 2013).

One of the fields of scientific interest of Professor Jesús Huerta de Soto and myself is the history of economic thought and the great Spanish School of Salamanca in the sixteenth to seventeenth centuries.

Thanks to the efforts of historians of Spanish economic thought, we know today that many fundamental economic doctrines and theories were presented and justified by the professors of the School of Salamanca in the sixteenth to seventeenth centuries (Афанасьев, 2004; Afanasiev, 2016).

The first case occurred at Jesús' firm. As you know, Professor Jesús Huerta de Soto, along with other prominent representatives of the neo-Austrian school, does not consider the use of mathematical methods in economics useful. However, the first thing that I saw upon entering Jesús' office was monitors with graphs of the dynamics of securities prices, built on the basis of mathematical models. I stopped to look at these graphs. Jesús said: "Look, Anton. We sometimes use mathematical models in practice for analysis and forecasting. It can be useful."

The second happened at Jesús' house during lunch. His wife, Sonsoles, prepared a delicious meal and invited us to the table. At lunch, Jesús asked which hotel I was staying at in Madrid. I replied that I was not staying in a hotel at all, but in an ordinary hostel near the national library of Spain, because the hostel is cheaper. "Poor Antonio," Jesús said with a sigh. But then Sonsoles came to the rescue. "What's wrong with that, Jesús? Don't you remember: I also often stayed in hostels, especially when I was a student."

I would like to cordially congratulate my great colleague and friend Jesús on this milestone year, wish him good health, and great success in all areas of his activities as a scientist, professor, and businessman.

- I. In monetary theory, some of these relevant doctrines and their founding dates are:
 - (a) The quantity theory of money (1556).
 - (b) The theory of purchasing power parity of money (1535–1594).
 - (c) The theory of the marginal value (utility) of money (1583, 1642).
 - (d) The doctrine of the demand for money (1601).
 - (e) A broad interpretation of the money supply (1601).
 - (f) The doctrine of monetary mercantilism (1569) and mercantilism of the favorable trade balance (1600).
- II. Regarding price theory, the following are significant:
 - (g) The theory and mechanisms of competition between sellers and buyers (1597).
 - (h) The justification for the sale with free prices in luxury products (1535) and in articles of first necessity (1552).
 - (i) The idea of the impossibility of man knowing the exact value of the fair price of the product (1546, 1617).
 - (j) The doctrine of the three main market players based on which the right price can be known (1546).
 - (k) Two ways of distinguishing between price formation (one based on the expenses and another based on market forces) based on the number of market participants (1535).

One important scientific contribution of Professor Jesús Huerta de Soto is the study of the origins of the ideas of the neo-Austrian school in the works of Salamanca theologians of the sixteenth and seventeenth centuries. In particular, Huerta de Soto pointed out that in the books of Professor Juan de Salas and Cardinal Juan de Lugo, the idea of the impossibility of human cognition and strictly mathematical calculation of the fair price of a product was expressed.

Thus, the Jesuit Cardinal Juan de Lugo, wondering what the price of equilibrium was, as early as 1643 reached the conclusion that the equilibrium depended on such a large number of specific circumstances that only God was able to know it (“*Pretium iustum mathematicum licet soli Deo notum*”). Another Jesuit, Juan de Salas, referring to the possibilities of knowing specific market information, reached the very Hayekian conclusion that it was so complex that “*quas exacte comprehendere et ponderare Dei est non hominum*,” in English, “only God, not men, can understand it exactly” that is, only God, and not men, can understand and weigh

exactly the information and knowledge that a free market handles with all its particular circumstances of time and place (Huerta de Soto, [2000] 2013, p. 38).

For my part (Афанасьев, 2004, p. 52 and Afanasiev, 2016, pp. 11–12), I found this idea of the impossibility of knowing the value of a fair price by the sovereign and the state in the earlier work of the eminent Spanish theologian Juan de Medina *Codex de Restitutione et Contractibus*: “Let us briefly consider these proofs: if they are sufficient to know the right price and if with them the consciences of the merchants are assured when selling their merchandise. ... Then, as a public authority, the prince or the city that imposes the prices of things, they can lack or exceed in the fixing of the price in many ways, by the rejection or favor of those who sell them, by the requests or requests with which sellers offer them; and for many other causes or ways there is no doubt that the principals and rulers of the public can be corrupted” (Medina, 1546, quaestio 31, f. xcvi, author’s translation).

Another important contribution of the Salamanca school, pointed out by Professor Jesús Huerta de Soto and other researchers, is the discovery of the dynamic concept of competition between buyers (Luis de Molina, 1597) and between sellers (Jerónimo Castillo de Bobadilla, 1597). “Furthermore, the Spanish scholastics were the first ones to introduce the dynamic concept of competition (in Latin *concurrentium*) understood as a process of rivalry among entrepreneurs. For instance, Jerónimo Castillo de Bobadilla (1597) wrote that ‘prices will go down as a result of the abundance, rivalry (*emulación*) and competition (*concurrentia*) among the sellers’. And this same idea is closely followed by Luis de Molina” (Huerta de Soto, [2000] 2013, p. 38).

Meanwhile, as I showed in my articles (Афанасьев, 2004, p. 52 and Afanasiev, 2016, p. 13), the idea of dynamic competition between sellers was expressed somewhat earlier (1546) by the same Juan de Medina: “On the other hand, goods increase in value for some reason, such as if money is spent on other goods, or if many buyers compete, or if the common need of men increases; then it will be lawful to demand a higher price for them, as a stipend, which otherwise could not be fairly assigned (author’s translation).