

The School of Salamanca

(Abstract)

“Marjorie Grice-Hutchinson's remarkable classic, *The School of Salamanca*, posed an extraordinary challenge when it first appeared in 1952. The book is not only a pioneering presentation of this lost school of monetary theory — fantastic **thinkers of Old Spain that were more advanced than the English classical centuries later** — it is also beautifully written.

One can see how it came to have such influence on both **Joseph Schumpeter**¹ and Murray Rothbard, both of whom used this work as their major source material.

Until this edition, the book might have been very expensive except for one thing: it was completely unobtainable anywhere by any means. Even devotees of the history of thought have not been able to put a copy in their personal libraries. The Mises Institute is thrilled to bring it back to the public.

Spanish scholars have long known about the great economists of the late middle ages and their works. But for English speakers, this book broke completely new ground. It not only highlighted an unknown school of monetary theory. It presented the origins of economic theory on the Continent, prompting a rethinking of the entire history of the discipline.

A theme emerges from this work. These thinkers were pro-market, pro-hard money, anti-state in many ways, pro-property, and pro-merchant to a surprising extent. Their theoretical orientation was subjectivist, marginalist, and process oriented. In other words, the Salamanca School represented a kind of proto-Austrian school with a strong liberal bent (liberal in the old sense).

In this sense, it becomes clear that modern-day Keynesians would benefit from learning what the Schoolmen knew many hundreds of years ago. Grice-Hutchinson is an outstanding tour guide and teacher.”

References

Oxford University Press, 1952

Note 1: *Austrian-born; American economist; Harvard Professor; influenced by German Historical School of Economics, but belong more so to the Austrian School of Economic Thought. Coined the phrase “creative destruction”; research work on entrepreneurship, innovation and business cycle.*