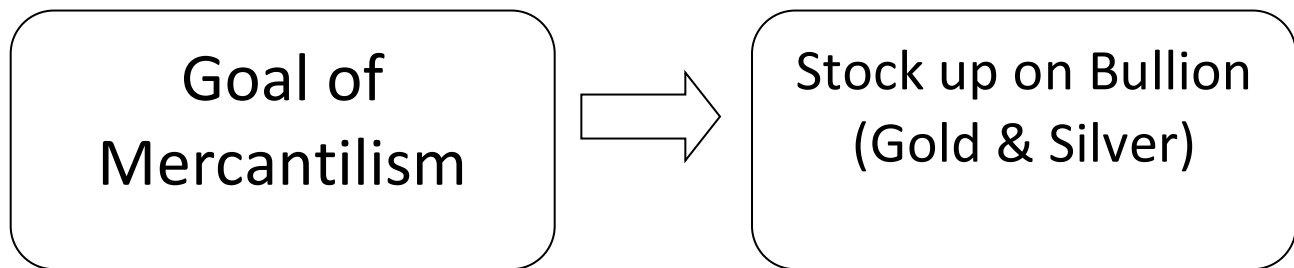


Mercantilism Primary Source Analysis



Directions: Below you will find quotes from NINE PRINCIPAL RULES OF NATIONAL ECONOMY by *Philip Wilhelm von Hornick*. These rules explain what countries had to do in order to follow Mercantilism. For each rule, explain the meaning in your own words. Then, explain how each would help a country achieve the main goal of mercantilism.

Rule	What is the meaning of this rule? How does it help a country achieve the main goal of Mercantilism?
#1: "First, to inspect the country's soil with the greatest care, and not to leave the agricultural possibilities or a single corner or clod of earth unconsidered...Above all, no trouble or expense should be spared to discover gold and silver."	Look at every single inch of your country's land and use it to grow crops or find bullion. If you find bullion you can add it to your country's supply. If you grow crops, you can trade them to foreign countries for bullion.
#2: "Second, all commodities found in a country, which cannot be used in their natural state, should be worked up within the country...the neglect of this is an abomination to prudent managers."	Some raw materials are "useless," until they are turned into something that is "useful," like manufactured goods. Manufactured goods can be traded for bullion.
#3: Third, for carrying out the above two rules, there will be need of people, both for producing and cultivating the raw materials and for working them up...the people should be turned by all possible means from idleness to remunerative professions."	People in a country should not be lazy. The jobs that they do should focus on getting a country's raw materials and turning them into manufactured goods. If more people focus on getting raw materials and manufacturing them, then your country will have more goods that can be traded for bullion.

Rule	What is the meaning of this rule? How does it help a country achieve the main goal of Mercantilism?
#4: "Gold and silver once in the country, whether from its own mines or obtained by industry from foreign countries, are under no circumstances to be taken out for any purpose."	Once bullion is in your country, keep it in your country – do not let it leave! If bullion stays in your country, your country's supply will not decrease.
#5: "The inhabitants of the country should make every effort to get along with their domestic products, to confine their luxury to these alone, and to do without foreign products."	A country's citizens should only buy goods that their own country makes and never buy foreign goods. This prevents bullion from leaving the country. If foreign products are purchased using gold or silver, then a country loses bullion.
#6: "in case the said purchases were indispensable because of necessity or irremediable abuse, they should be obtained from these foreigners at first hand, so far as possible, and not for gold or silver, but in exchange for other domestic wares."	If for some reason a country needs foreign products, they should be traded for other goods and never for gold and silver. Exchanging domestic goods for foreign goods prevents a loss of bullion.
#7: "such foreign commodities should in this case be imported in unfinished form, and worked up within the country, thus earning the wages of manufacture there."	When buying foreign goods, buy raw materials rather than manufactured goods. Raw materials are cheaper the people in the country earn money by turning them into manufactured goods. Raw materials cost less, which means a smaller loss of bullion. Also, your own country's citizens earn bullion because they are turning the raw materials into manufactured goods.
#8: "opportunities should be sought night and day for selling the country's superfluous goods to these foreigners in manufactured form."	A country should do anything it can to sell manufactured goods that it does not use to foreign countries. There is no chance to earn bullion when manufactured goods are not sold.
#9: "except for important considerations, no importation should be allowed under any circumstances of commodities of which there is a sufficient supply of suitable quality at home."	If a certain good is available in your country, then it should never be bought from foreign country. If foreign goods are bought when the good is available in one's own country, it is wasting precious bullion.