The Principles of Mercantilism

In 1757, a British commercial expert by the name of Malachy Postlethwayt published a commercial dictionary,* The Universal Dictionary of Trade and Commerce. *Under the entry "trade," he set forth "some maxims relating to trade that should seem to be confirmed in the course of this work." The first five convey the economic philosophy of mercantilism and the importance that countries attached to the acquisition of precious metals.

I. That the lasting prosperity of the landed interest depends upon foreign commerce.

II. That the increase of the wealth, splendour, and power of Great Britain and Ireland depends upon exporting more in value of our native produce and manufactures than we import of commodities from other nations and bringing thereby money into the kingdom by means of freight by shipping.

III. That domestic and foreign trade, as they are the means of increasing national treasure, of breeding seamen, and of augmenting our mercantile and royal navies they necessarily become the means of our permanent prosperity and of the safety and preservation of our happy constitution.

IV. That the constant security of the public credit and the payment of interest and principal of the public creditors depend upon the prosperous state of our trade and navigation.

V. That gold and silver is the measure of trade, and that silver is a commodity and may be exported, especially in foreign coin as well as any other commodity.

QUESTIONS FOR ANALYSIS

- According to this reading, whom does mercantilism serve?
- What are the key tenets of mercantilism?
- Why is silver more important than gold in trade?

Source: Malachy Postlethwayt, *The Universal Dictionary of Trade and Commerce*, vol. 2 (1757), p. 792.