



ECOHOLICS

MERCANTILISM

- During the 17th & 18th century group of men (merchants, bankers, government officials etc.) advocated an economic philosophy known as mercantilism.



Mercantilist Views

1-A nation can only become rich & powerful if they **exported more** than import.

2-The more bullion or gold & silver a nation had the **richer** and more **powerful** it was.

The Logic

- More gold, rulers could maintain larger and better armies
- Consolidate power at home
- Make more colonies
- More money & greater business activity
- Greater the flow of goods & services to satisfy human wants
- Higher the standard of living in the nation.



3-Government should stimulate export and **discourage import**.

The logic: Government would stimulate national output and employment.

4-Advocated **strict Government control** of all economic activity & preached economic nationalism because they believed that a nation could gain in trade only at expense of other nations.

