

X

PHILIPP W. VON HORNICK

OESTERREICH ÜBER ALLES, WANN ES  
NUR WILL

## NOTE

PHILIPP WILHELM VON HORNICK (1638-1712) was the son of Hofrat Ludwig von Hornick. He studied law at Ingolstadt, and received his doctorate in 1661. Returning to Vienna, he followed his profession for some years, and in 1682 published two tracts on public law, in which he vigorously attacked the French claims to German territory. This was followed two years later by his famous *Oesterreich über Alles*, a thoroughly typical Mercantile production, which he published anonymously. It was very popular for a generation or more and went through twelve editions. In 1690 he entered the service of the Cardinal of Passau, by whom he was later appointed privy councillor. His last publication was the *Historische Anzeigen von den Privilegien des Erzhauses Oesterreich* (1708).

# AUSTRIA OVER ALL IF SHE ONLY WILL

## I

### NINE PRINCIPAL RULES OF NATIONAL ECONOMY

**I**F the might and eminence of a country consist in its surplus of gold, silver, and all other things necessary or convenient for its *subsistence*, derived, so far as possible, from its own resources, without *dependence* upon other countries, and in the proper fostering, use, and application of these, then it follows that a general national *economy* (*Landes-Oeconomie*) should consider how such a surplus, fostering, and enjoyment can be brought about, without *dependence* upon others, or where this is not feasible in every respect, with as little *dependence* as possible upon foreign countries, and sparing use of the country's own cash. For this purpose the following nine rules are especially serviceable.

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. Every useful form of *plant* under the sun should be experimented with, to see whether it is adapted to the country, for the distance or nearness of the sun is not all that counts. Above all, no trouble or expense should be spared to discover gold and silver.

Second, all commodities found in a country, which cannot be used in their natural state, should be worked up within the country; since the payment for *manufacturing* generally exceeds the value of the raw material by two, three, ten, twenty, and even a hundred fold, and the neglect of this is an abomination to prudent managers.

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. Therefore, attention should be given to the population, that it may be as large as

the country can support, this being a well-ordered state's most important concern, but, unfortunately, one that is often neglected. And the people should be turned by all possible means from idleness to remunerative *professions*; instructed and encouraged in all kinds of *inventions*, arts, and trades; and, if necessary, instructors should be brought in from foreign countries for this.

Fourth, 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, so far as possible, or allowed to be buried in chests or coffers, but must always remain in *circulation*; nor should much be permitted in uses where they are at once *destroyed* and cannot be utilized again. For under these conditions, it will be impossible for a country that has once acquired a considerable supply of cash, especially one that possesses gold and silver mines, ever to sink into poverty; indeed, it is impossible that it should not continually increase in wealth and property. Therefore,

Fifth, 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 as far as possible (except where great need leaves no alternative, or if not need, wide-spread, unavoidable abuse, of which Indian spices are an example). And so on.

Sixth, 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.

Seventh, 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.

Eighth, opportunities should be sought night and day for selling the country's superfluous goods to these foreigners in manufactured form, so far as this is necessary, and for gold and silver; and to this end, *consumption*, so to speak, must

be sought in the farthest ends of the earth, and developed in every possible way.

Ninth, 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; and in this matter neither sympathy nor compassion should be shown foreigners, be they friends, kinsfolk, *allies*, or enemies. For all friendship ceases, when it involves my own weakness and ruin. And this holds good, even if the domestic commodities are of poorer quality, or even higher priced. For it would be better to pay for an article two dollars which remain in the country than only one which goes out, however strange this may seem to the ill-informed.

There is no need of further elucidating these fundamental rules of a general national *economy*. Their reasonableness is obvious to every man of intelligence. I do not mean to exclude all exceptions. The circumstances of each country may allow them now and then, but only rarely. If countries and their way of looking after things are considered according to these rules, it will be easy to judge their general *economy*. I do not presume to instruct anyone; but, in all modesty, I venture to say that any manager and administrator of a general national *economy*, whether of high or low degree, who judges himself according to these rules, will be able to tell easily whether he has properly administered his duties or not. They are not the *invention* of a *speculative* mind. They follow from the nature of things, reason confirms them, and in every place where riches flourish all or part of them are applied. Therefore my reader will not resent my delaying him somewhat with this bit of *theory*; and if he has intelligence, which I do not doubt, he will easily discover its purpose. I believe that he will gradually see the light, if he has not already done so, and realize whether the well-known scarcity of money in Austria is to be ascribed to nature, or to indolence and carelessness, that is, to human will alone. "This is an old story," many perhaps will say, "a sort of commercial or *cameral primer*, which we have known a long

time." But why is such a primer in so many places unfortunately so little practised, or even learned? By this standard, then, and this touch-stone we wish to test our Austria: to investigate her natural gifts as far as possible, and then to consider how they can be developed.

## II

HOW TO INSTITUTE REFORMS IN THE NATIONAL  
ECONOMY PROPERLY

"Good preaching," some one will reproach me. "He may well cry the loudest over the pain of a sick man who can help least. Show us what to do about it." Now I have already said that I did not intend to explain how to *apply* our rules, but to leave that to those who have general oversight of the Austrian realm, and who are in charge of its administration. If my unauthoritative ideas are desired, however, I should like to begin with the above-mentioned fifth rule, and advise the Austrians TO BE CONTENT FOR A WHILE WITH THEIR OWN GOODS, WITH THEIR OWN MANUFACTURES, HOWEVER BAD THEY MAY BE AT FIRST, AND TO REFRAIN FROM FOREIGN ONES, KEEPING THEIR GOOD GOLD AND SILVER IN THEIR POCKETS. This would fit in with all the other rules, and everything else would follow from this alone. For the ninth rule is practically included in this fifth one; and if people would use nothing but domestic *manufactures*, the children and inhabitants of the country would be compelled (most of them gladly) to turn their hands to their own *manufactures*, and to work up the domestic raw materials. In this way the second rule would be greatly furthered. And since artisans go where they can get a living, and many foreigners would necessarily be out of work as a result of the prohibition of their *products*, and sometimes even lack our raw materials, they would be compelled to come to Austria, in order to seek work, necessary raw materials, and their living, and to settle there; thus furthering the principal part of the third rule, namely, the development of a population engaged in *manu-*

*factures*. Then foreigners, having little more of their own to give, would lose the magnet with which they attract away our gold and silver. And thus the fourth rule would be *observed*, and the money would remain in the country. Since we could not do without a few things, however, such as Indian spices, fish products, and, for a time, raw silk, &c., we would have cause, opportunity, and material to exchange our surplus domestic products with our neighbors and others, without giving the most indispensable goods for them, according to the advice of the sixth rule. We would be able to do without these all the more easily, since the erection of domestic *factories*, immigration of foreign artisans, and growth of the country's population would increase domestic *consumption*; whereby the eighth rule would be greatly furthered. And once the country had acquired a supply of cash in this way (as must certainly happen in a very few years, even if we kept only the annual product of our mines), then with the means would come the spirit, the desire, and the *perseverance* to apply the first rule, by developing *plants* hitherto lacking, and abandoned or otherwise neglected mines; the seventh, in working up foreign raw materials; and to take such further measures as may be needed under the first rule for the improvement of hitherto uncultivated tracts of land, under the third for populating the country with peasantry, under the sixth for doing our own transporting both of foreign and domestic goods, and under the eighth in various ways. Indeed I may say without shyness, and surely without joking, that Austria has certain hidden resources, which will raise the first, third, and eighth rules to a degree impossible for the other countries of Europe to attain, and will, in all probability, win for Austria a wealth and splendor such as she has never had in her history or even dared to hope for.

## III

THAT THE APPLICATION OF THE FIFTH RULE IS TO BE EFFECTED BY THE PROHIBITION OF THE FOUR PRINCIPAL FOREIGN MANUFACTURES: SILK, WOOLEN, LINEN, AND FRENCH WARES

Now we come to the big question, how to go about it to induce the inhabitants of Austria to content themselves with their own domestic *manufactures*; for according to my own admission, there are very few such available, and one can hardly advise people to clothe themselves as in primitive times in untanned sheepskin. *Hic opus, hic labor est!* and my only concern is that I shall have to prescribe a bitter pill for my Austrians, who like to dress trimly and expensively, and live for their physical *comfort*. But to make some concession, I must admit that I did not mean the *abstinence* from foreign goods to be taken in a *general* sense at the beginning, intending for the time being to put only those things on our black-list, the neglect of which can bring greatest harm to the country, the proper cultivation of which will bring the greatest, quickest, and most obvious advantage, and the lack of which from abroad will be easiest to bear or most readily replaced. In this category I place first woolen *manufactures*, both woven and knit goods, with the single exception of millers' bolting-cloth, as interfering too much with the pantry, for a year, until it is supplied within the country. Second, all linen goods of all kinds. Third, silk *manufactures* of all *stages*. Fourth, everything included under the name French *manufactures* and not included in the three classes mentioned above, whether made in France itself or in Italy, or in Switzerland, or elsewhere. Quite an undertaking! but I think that even according to our description it is the right solution. For it is certain that these four *sorts* of foreign goods are the real leeches which rob us of the inmost strength of our body and suck the best blood from our veins. Certain it is that these four *manufactures* are the beasts of prey which alone take every year up-

wards of sixteen million *gulden* from our pockets, just as if they had never been there. I was present when it was estimated, by distinguished men well acquainted with the country, that our annual loss of money through French wares alone amounts to three million *gulden* and more. If, moreover, as the above-mentioned *Survey of Manufactures in Germany* makes certain, fifteen thousand dollars are exported every year for bolting-cloth from Saxony alone, so that at least a hundred thousand dollars must yearly take flight from Austria as a whole for it, and bolting-cloth makes up hardly a fiftieth part of the foreign wool *manufactures* imported by us: then it must follow that at least seven million *gulden* leave Austria every year for these wool *manufactures*. What I have said above about the six and a half million dollars of mere wages and business-men's *profits*, which remain every year in the city of Leyden alone, according to clear reckoning, for woollen *manufactures* in cloth, small-wares, &c. will make credible what I here allege concerning the seven million *gulden* which annually go out of Austria for such *manufactures*. Now silk *manufactures* are probably not much inferior to the woollen.

Indeed, if more than nine thousand dollars are exported annually for silk from Saxony alone, again according to the statement in the *Survey of Manufactures in Germany*, and the *author* is afraid of appearing unreasonable in placing the total at such a modest sum, should we not likewise consider a man unreasonable who put the Austrian consumption thereof only about four times higher? And yet that would make six million *gulden*. If, however, everything made of linen be added, which is also not inconsiderable, we can reckon up and see whether less than eighteen or twenty millions are sacrificed annually, simply to satisfy the unnecessary desire for display in dress, and poured into the coffers of strangers, mostly our enemies. I might say that in Vienna before the siege there were two hundred thousand men over twelve years old, each of whom on the average spent ten *gulden* a year (most of them, indeed, thirty and more, many

even a hundred, and not a few several hundred and even thousands) for foreign articles of clothing. Now it is easy to show that the other capital cities of the Austrian states, also very splendid, as well as other substantial and fine towns, besides the great and lesser nobility, together with their servants and officials, the whole kingdom of Hungary, the great and lesser clergy, besides all those under twelve years of age and yet having their share of foreign goods, and finally what is spent on other forms of personal property from abroad, all taken together, must, if Vienna amounts to at least eight, reveal a loss of eighteen millions. Let no one be offended at this, or be astonished at the huge sum, as if we were only playing with millions. For a neighboring state, which is only one sixth as large as Austria, exports annually, according to clear reckoning, three million dollars, according to the above-cited *Survey of Manufactures*. We know where all this money comes from, yet the country remains in the same condition as before, and consequently is exporting just as much again. How much more credible is it, then, that Austria lets foreigners have eleven or twelve million dollars.

To guard, nevertheless, against all doubts, reasonable or unreasonable: I will reduce the figures almost a half, leaving the total ten millions net, which are thrown out the door like a penny, without any hope of their return, simply for four kinds of *manufactures*. If these ten millions were kept in Austria for only a single year, how this lifeless body would begin to move and to revive! How it would recover and gain strength! And if, as would follow anyway, these ten millions made their way into *circulation*, in addition to what is in general use even under the present bad conditions, and, like the human blood by the power of the heart, passed every year to a large extent through the prince's treasury, in a gentle, practical, and tolerable way (which is the duty of the exchequer): How all the members of the German-Austrian state would suddenly rejoice and feel strong! If, however, this were kept up ten or twenty years, or longer, and if a suitable watch were kept over these four *manufactures*

and also over the other trades in this way, and in each branch as far as practicable, and if finally the foreign *consumption* of domestic raw and *manufactured* products were increased in the course of time as much as possible; what in all Europe would then equal our Austria? And what sort of *manufactures* are these, the dispensing with which from foreign sources could make us so prosperous? They would, it is true, require some oversight and pains for their development, but nowhere would they be easier to introduce than in Austria, as I will demonstrate below. We could well do without the French trumpery, without special difficulty either, and in a few years imitate them more easily and more readily than others. I will also explain that in its place.

## IV

## WHY NOT ADOPT OTHER MORE MODERATE MEANS THAN THE COMPLETE PROHIBITION OF FOREIGN MANUFACTURES?

Now we come to the question how to enable Austria to be content with her own domestic *products* in the often-cited four branches of *manufacture*, giving up foreign ones, and this is the real crux of the matter. Following the general course hitherto adopted, people will immediately conclude: First of all, *manufactures* should be introduced in Austria, privileges granted for this purpose, companies established; and when they have been introduced, either heavy taxes and import duties should be put upon foreign goods coming in, so that they may not be as cheap as the domestic ones, and so will have to stay outside; or *magazines* should be established, in which foreign as well as domestic goods shall be deposited, with instructions that merchants shall not proceed to the sale of the foreign, until the domestic have all been sold; finally, in order that progress may be made with the domestic *manufactures*, foreign goods should then be forbidden through the Bank. But these ways are, in my opinion, uncertain, slow, and, in view of our German temperament, sure to come to nothing. For, in the first place, capitals will

be lacking, because rich people will not want to let them out of their strong-boxes, because of lack of confidence in the project. In the second place, no spirit or *resolution* will be forthcoming, on account of equal lack of confidence in the result, and this not unreasonably. For, in the third place, because of the slowness of such *introduction*, merchants and others not well disposed toward the plan, especially foreign *factors*, will have ample opportunity to *ruin* the beginnings by a thousand kinds of devices. The desire to become rich quickly, and impatience at waiting for gains, which, on account of the uncertainty of *consumption*, are bound to be uncertain, will, in the fourth place, do a good deal of damage by itself; the long time, in the fifth place, will also take away our energy and cool our enthusiasm. Besides, in the sixth place, there would be endless smuggling under such easy and careless *administration*. The domestic goods, in the seventh place, will have to bear reproaches for this or that pretended defect, and so fall into disrepute and *discredit*. *Luxury*, the raging *beast*, would, in the eighth place, not be repelled by the high prices of foreign goods, but would develop all the greater passion for them. The domestic *manufactures* would, in the ninth place, never attain complete development, as long as there was hope of getting the foreign ones. To sum up: The eventual prohibition and exclusion of foreign *products* would never be achieved in this way. For our illness is too great and too dangerous to yield to such weak and slow treatment.

I therefore deal with the problem in a very different way. Other people wish to introduce domestic *manufactures*, in order to exclude foreign ones later. I, however, advise the prohibition of foreign ones, in order to introduce domestic ones later. A big program! How much *opposition* is doubtless already being *formulated* against it, almost before it has left my hand! I shall not allow myself to be misled thereby, but remain convinced that foreign *manufactures* must be *banned* in order to promote domestic ones. I only wish to restrain premature judgment, until I have set forth the argu-

ments for my proposal, and have disposed of the objections which may be urged against it. All my life I have preferred the simplest, most effective, and most certain, though apparently somewhat strong means to over-refined methods, neither cold nor warm, and therefore subject to all sorts of attacks, and in the end to much more inconvenience than those which work rigorously. Now there is nothing simpler in *execution* than the complete prohibition of all foreign goods in our four branches of *manufacture*. For smuggling cannot take place, if only those assigned to supervise it remain faithful, through fear and hope, punishment and reward; and if domestic goods are protected against violators of the public faith by the strict taboo. Nothing easier; for a bit of paper and ink, some decrees at the custom-houses and passes, *instruction* of some officials, arrangements for inspection and paying duties, and the unavoidable and inescapable punishing of the first or second who are caught red-handed, as well as the criminal's helpers and the receivers of the smuggled goods, be they great or small, will fix everything. Nothing prompter; for in twenty-four hours, so to speak, everything can be put into operation, and within a year the *effect* will be felt throughout Austria, both in the *Treasury* of the prince and in the *coffers* of his subjects. Nothing surer and more vigorous; for necessity itself and the sure profit resulting from the certainty of *consumption*, will teach the country's inhabitants to devote themselves to their own *manufactures*. When the money no longer goes to foreigners, at least ten millions will remain in the country annually, and go to increase our business capital. And the above-mentioned assurance of *consumption*, and the resulting sure profit, will encourage the capitalists to release their cash. Foreign artisans will be compelled by lack of work and bread to come into Austria to seek both. A hundred other advantages besides, which may not now be thought of, are likely to appear in the course of the *execution*.

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## V

OBJECTIONS TO THE PROHIBITION OF FOREIGN  
GOODS ANSWERED

I now have to answer the objections. I will take them up briefly, in order that this work may not be expanded to undue proportions. Enough is said for the sensible, and more detail would be wasted on the others. The first is: HOW COULD WE GET ALONG WITH DOMESTIC GOODS, IF FOREIGN ONES WERE SO SUDDENLY BANNED, AND HOW PROVIDE SUBSTITUTES? Answer: To tell the truth, we do not need the so-called French wares at all. Hence we shall be able to do without them merely until they gradually come to be *produced* in the country, as there is already a beginning in many of them; and other branches also cannot long fail to be *stabilized*, even more promptly than the other three much more important *manufactures*. In the case of silk goods the situation is about the same. Moreover, it is only for two or three years that there will be any shortage of them in the country; in five or six years there will be plenty. In the case of linen *manufactures*, Austria would have plenty already, as far as quantity goes, if only the good people who make that their *profession*, could find enough work. And as for variety and quality, it would probably not take long to supply that. Silesia alone would suffice, where this weaving has almost no gild, and everywhere, both in distinguished and peasant houses, the loom is found in rooms and chambers, upon which everybody works, and everyone is taught, just as in spinning. In the case of cloth-making the circumstances are not much different, and I know that in many an otherwise little known town there has been almost incredible progress. If only the domestic *consumption* were assured to them, and they were provided with, say, a half-year's stock of wool, how soon the cloth-making industry, as well as wool-spinning, which is not very badly off anyway, on account of the *continual* sales to foreign countries, would expand to five or six times what it now is. The thinner stuffs might, in case of

necessity, have to bear the same fate as silk-making, namely, to slow down for a short time, meanwhile replacing the wanted linings with something else, until their *fabrication* is introduced in the country. To sum up: Linen and cloth, the most necessary, we should have in sufficient supply immediately, the small-wares would be supplementary to them. With light woolens, silks, and French wares we could, in case of necessity, dispense altogether forever, as our ancestors did, and hence all the more readily for a time only.

WHAT IS TO BE DONE ABOUT THOSE MERCHANTS WHO ARE ENGAGED SOLELY IN THE IMPORTING BUSINESS? THEY WILL BE RUINED. — An advantage! For they are the very fellows who are impoverishing the country. It is therefore better that they should collapse than the commonwealth. They will be able to hold out, however, until they obtain *commissions* from domestic wholesalers or financiers, or *credit* from them, or book-keeping with the *manufacturers*, or some other position or service (of which there will then be a hundred times as many as there are ruined merchants), or invest any *capital* they may have in domestic *manufactures*. If they do not wish to be employed by the domestic *factories*, however, and they have no *capital* to invest, then such worthless rascals, who act only to the advantage of foreigners and to the harm of Austria, and who have not been able to do any more than earn their daily bread, are no more worthy of sympathy than downright fools.

OUR AUSTRIAN MANUFACTURES WILL NOT BE AS GOOD AS THE FOREIGN ONES. — Such a claim is in many cases a delusion of the Devil, who is hostile to the prosperity of Austria. Granted, however, that this would be an unavoidable evil, still it would not be unendurable. I will cite the prohibition of Hungarian wine in Austria, Styria, and elsewhere. If you ask why wines are prohibited which are better than the domestic ones, and even cheaper, the answer will be: That the domestic gifts of Providence may be utilized and prudently *consumed*, not despised, thrown away, or ruined;

that the highlands may be *benefited*, and the limited cultivation of vineyards, an important source of regalian revenue, may not be abandoned; that thereby so much more money may stay in our pockets. It is the same with Hungarian salt, to which the Austrian is inferior. And yet the former is kept out and the latter retains control of the field. It is quite the proper thing, however, and can be applied *ad literam* to domestic *manufactures*. For if we have such *principles* in a few things, why do we not *extend* them to the great and many? If we use them on two such necessary articles as wine and salt, why do we not apply them the more readily to the unnecessary abuse in matters of clothing? If my proposal aimed at restricting the subsistence of Austria, and cutting down her food or drink by prohibiting commodities, there might be some reason to complain that this was too hard; that the body could not suddenly give up the nourishment to which it had become accustomed; that it would be an injury to health. But there is no question here of eating and drinking, or of health and long life, or of fasting and abstaining, but whether the body should be decked with Silesian or foreign cloth, with Upper Austrian linen or Indian *bombazine*, with domestic or foreign-made silks or stockings, with Austrian or French ribbons, which has nothing to do with health or palate or stomach, but merely things of fancy, and not even becoming to the proud spirit of display. As to how domestic wares may be made as good as foreign in quality, that is, in durability as well as beauty, I will undertake to set forth my views somewhat more fully below.

WE CANNOT MAKE OUR PRODUCTS AS GOOD AS FOREIGN ONES, SINCE WE HAVE NEITHER SILK NOR THE SPANISH WOOL WHICH IS INDISPENSABLE FOR FINE CLOTHS. — On that point people may well ask advice of the English and Dutch, who not only have no silk at home, but have no hope of ever having any; and have little of the long wool for cloth, besides having no Spanish wool, the same as we. Where they pro-

cure such raw materials, we shall find them too. Indeed, we shall obtain Milanese and Sicilian silk and Spanish wool all the more easily, since the Spaniards will prefer to grant this to their kinsfolk and most faithful *allies* rather than to others. As for long wool, it is not only easy to develop an ample supply of that in Bohemia, as pointed out above, but our neighbors will be as glad to sell it to us for our money or other goods as to anyone else.

BUT WHAT WILL DAME FASHION, THE SOLE ARBITER OF MANUFACTURES IN MATTERS OF DRESS, SAY TO THAT: SURELY ONE MUST DRESS LIKE OTHER NATIONS. — It would be a good thing if we sent Dame Fashion to the Devil, her father. There are incomparably more *nations* in the world that keep to one kind of clothing, than vary it. Why should we, then, imitate the few and not the many? Or if we can not do without this foolish *variety*, we should be free, anyway, to be as foolish as the French, and to *invent* such things from time to time out of our own fancy, in order to remain masters of our *manufactures*. If this would not do either, then samples, both of clothing styles and cloth patterns, might be brought from France and *fabricated* here; thus remedying this misfortune also. Indeed, it would be an advantageous change for the merchants. For now, when a new fashion comes in, the goods have to be ordered from a distance. Before they arrive, the style often changes again, and the merchant suffers a loss. If the *factories* are in the country itself, however, no more will be made in the new styles than just enough, so to speak, to supply the daily demand.

WHERE ARE OUR GERMANS TO GET CLEVERNESS ENOUGH TO INVENT A NEAT CLOTH-PATTERN OR FANCY JEWELRY-DESIGN, OR EVEN TO IMITATE ONE? THEY HAVEN'T BRAINS ENOUGH. — Such sarcasm should be retracted by the lips that uttered it. For the contrary is amply demonstrated above, and there is no other reason for the backwardness of our people except that the best artists are not honored among us. So they go off to France and Holland. The artisans who stay among us are not encouraged, and know,

moreover, that even if they did make something good, foreign wares would always be esteemed more highly. Nevertheless there are such people here and there. I should like to have defied the one who displayed before the old King in Augsburg a foreign-made ribbon, which he could not imitate. And even in Dresden I know a young man whose first trade was that of ribbon-maker, later, as this did not give him a living, a lackey, still later a silk weaver in the new royal silk *manufactory*; who, in everything to which he chooses to *apply* himself, equals, where he does not surpass, foreigners, and has already given so many proofs of it that he can not be accused of presumption when he says, according to his habit, that he will undertake to imitate any *lessons* given him; and to give *lessons* to others which they would not imitate.

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WHERE IS THE CAPITAL FOR DOMESTIC INVESTMENT TO BE OBTAINED? — If I should answer that it is for the Prince to see to that, I should be right, perhaps, but the times will not endure it. If I should therefore pass it on to the provinces, it might not be a mistake, either, but it might nevertheless not *encounter* the same *sentiment*. Therefore let it remain as suggested above, that if ten millions stay in the country every year more than now, and the *consumption* of domestic *products* is well assured, then there will be an abundance of *capital*. Moreover, I hear of a new strange proposal for obtaining *Credit* to make a big *Capital* without any; of which it will be possible to judge, when it has been given out.

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IT IS TO BE FEARED THAT WE SHALL HAVE TO LIVE AT THE MERCY OF DOMESTIC ARTISANS AND BUSINESS-MEN, SINCE THEY WILL RAISE THEIR PRICES EXCESSIVELY WHEN THEY ARE NOT RESTRAINED BY FOREIGNERS. — If the government supervises things as it should, and checks wantonness, this will not have to be feared. And if manufactures eventually become extensive, the people themselves will strive for

money and bread, and make goods cheap through their plentifulness. Where foodstuffs, house-rent, and wages of servants, as well as raw materials or goods, are inexpensive, as with us, and where wares are not brought from a distance and consequently are subject to no heavy charges for freight, tolls, or risk, it is hardly possible that they should be higher-priced than foreign ones (especially if the market is certain, and the goods do not have to lie long at *interest*). It might even be said that strangers do not make us gifts of these things, either; and it would be better, after all, if something must be sacrificed, to be a victim to one's own countryman rather than to a stranger, and to console one's self with the fact, already alluded to above, that it is better, although not every peasant can understand it, to pay two dollars for a domestic article, which remains in the country, than only one for a foreign one, which is exported. For what once goes out stays out. But what remains in domestic *circulation* involves no loss to the *public*, but is an advantage in several ways. The merchant himself, who invested it, can profit by it again. The state is to be thought of as a rich man, who has his money in many purses. If he takes something out of one and puts it into the other, he becomes no poorer thereby. For, although one purse becomes lighter, the other becomes that much heavier. He is master, however, of one as well as of the other. And this must be a leading *principle* of national *economy*, or things will not go well.

BUT THOSE NATIONS WHOSE MANUFACTURES WE PROPOSE TO PROHIBIT WILL BE ANGRY, AND CUT US OFF FROM SUCH THINGS AS WE MAY STILL NEED FROM THEM; OUR DOMESTIC GOODS HITHERTO TAKEN BY THEM WILL BE LEFT ON OUR HANDS; OUR ALLIANCES AND WE OURSELVES WILL BE DESERTED IN TIME OF NEED. — Let them be angry who will. If they are enemies, we do not need to spare their feelings; if they are friends, they will excuse us if we, by eventually developing a good *economy*, get into a *position* not only to help ourselves, but also in case of need to be of more *real* service to them. We see how France is angry at the way England

consigns to the flames all French wares that are discovered. And after all, let him who stands behind Job take a friendship which really aims only at plundering our purse. We have learned how much friends give us for nothing in an emergency. And other *nations* are not so foolish, either, as to refuse us their unprohibited wares out of spite on account of the prohibited ones, and to avenge and increase the forced loss by a voluntary one. The free commerce of many places, such as Hamburg, Amsterdam, &c., does not allow any buyer to be excluded. And even if all others should treat us that way, the Spaniards, at any rate, for the reasons pointed out above, and because they have almost as much interest in our prosperity as we, would be for us rather than for anyone else, and not leave us in the lurch for the best Spanish wool and Italian silk; which are the two things which we still need to import. And, after all, we could get silk through Turkey. The nations, however, from whom we must get long wool, are not among those to whom our prohibition will cause any damage. They will therefore have no reason to prohibit our buying it; and in an emergency Bohemia, as already pointed out, would have to devote herself more to the production of this long wool. So there is no danger that our goods intended for export will be left on our hands. These are: wine, grain, oxen, copper, iron, quicksilver, hides, linen, all kinds of *minerals*, &c. For those who buy these things of us are either not among those who are injured by our prohibition, or are not able to do without such goods of ours. When we have become somewhat stronger financially as a result of our *economy*, we will not only have no need of foreign alliances and assistance, but they would even offer themselves of their own accord. For much money, many *alliances*, as France shows well enough. And on the contrary: *Point d'argent, point de Suisses*. Doubtless those who will not like our good order, because hitherto they have had good fishing in troubled waters, will try all sorts of tricks in order to lead us astray. *Mais fin contre fin, ne fait point de fourrure.*

## VI

HOW TO RAISE THE QUALITY OF DOMESTIC MANUFACTURES,  
SO THAT THEY MAY NOT BE INFERIOR TO FOREIGN ONES

Here we have to consider briefly how the quality of domestic *manufactures* is to be raised, in order that they may equal foreign ones. This reminds me of that humorous or, at any rate, strange chemical saying: *Accipe quod debes, & operare sicuti debet, tunc eveniet tibi, quod debet.* I mean: We have the materials for work like others, hands and heads like others, tools like others. If then the *effect* is not produced, as with others, it is certainly a willful wantonness, or at least a wanton awkwardness, which the government will know how to restrain, if it understands its duties. And it has been pointed out already that foreigners take our woven cloths and linen to their countries, finish them there, and thereby *transform* them into foreign goods; which finishing, God willing, we should also be able to imitate. They likewise take out our Silesian yarns and make their linen out of them. They take out our flax, hackle it again, and prepare it in a special way; then spin it in their way. In this connection it is to be noted that they make two kinds of linen, the best for themselves, the poorer for us and other foreigners; and indeed for the reason that they think we do not pay for theirs according to its value. The first is made of Silesian weft, but the warp is of Dutch or similar yarns, made, however, of Silesian or other high-German flax. In the other, both warp and weft are high-German and Silesian. I have been informed, moreover, that they take our woven Silesian linen and full it in butter-milk. For let no one be surprised at the fulling of linen, since Leipzig also understands that. In this way must high-German goods be made into good foreign ones. There is nothing in all this which we Austrians could not imitate. If our minds were too dull to find it out for ourselves, then have artists from other places come here; and spare no expense, for they will pay for themselves, though they had to be bought for their weight in gold. If this is not

satisfactory, then send some of our native sons thither, and have them learn it. If the Germans, as soon as they reach France or Holland, equal or even surpass the inhabitants there, as long as they are among them, they can also bring the art back with them, and do a service to their fatherland, to which they owe everything anyway. It is of no consequence that the tools may not be brought to us from France or Holland. For even if that were not possible, either whole or in pieces, it would be a simple thing for an alert *mathematical* head to grasp them and later set them up here, though it required more than one journey. I also hear from the Swiss that they now know how to make their hemp as good as the best Dutch linen. I praise them, not only for such diligence, but also because they plant their land with big high hemp rather than small flax, and yet know how to make use of it as well as the latter. Now if the Swiss can do this, why not the Austrians too? These very Swiss also furnish us with a notable example of diligence in the wool manufacture. All the world a while ago procured its bolting-cloth from France, and long believed that it would never be brought from anywhere else. But now it is made as well in Switzerland as in France, and the greater part of what is used in Germany comes from there, although the Calwische Company in Württemberg does something along that line. How much the silk *Manufacture* is growing in Switzerland is well known, moreover. And sometimes we are so absurd as to tax these people with being a little too *materialistic*, when we doubt all the while whether we also have intelligence and cleverness enough to do what is an easy matter for them.

It would also be no small assurance of the goodness of domestic wares to erect halls, warehouses, and inspecting rooms, requiring all finished pieces of cloth of any kind, or other things, to be brought there and pass an examination. Only those passing it would be current in the warehouses and honest merchants' shops; those which did not pass it would be *excluded* from other upright wares and remain mere peddler's goods. The falsifying or misuse of the stamps

put on the good wares after inspection should, on account of the great *consequences*, be punished as a *violation* of general confidence and a weakening of the general *credit* of the community; not much less severely than the counterfeiting of money and government documents and seals, even with capital punishment in some cases, like grand larceny. In this way Austrian goods would not only be kept up to proper quality and workmanship, but in a short time would also acquire great *credit* and *reputation* at home and abroad, which would promote sales greatly, since every buyer could feel assured he was not being cheated.

Furthermore, there might be established in Austria certain annual *competitions*, no master or journeyman being excluded who is either a native of the country or who plans to settle there; and providing that whoever won there should be rewarded with certain *privileges*, emoluments, or in money and other prizes, which would be easy to arrange in such a way that it would not cost the *public* anything. This would not only be an impetus to the arts among the inhabitants, but would also attract the best workmen from abroad.