Twitter Thread by @AdamSmithWorks

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#DivisionOfLAbor, we love it! Except it *does* make it a lot harder to provide for our own wants directly. We live by exchanging and cooperating with others. (I.iv.1) #WealthOfTweets #SmithTweets

#AdamSmith is too smart to think all this exchanging and cooperating got worked out easily from the very beginning. There must have been bumps in the road. (I.iv.2) #WealthOfTweets #SmithTweets

Butchers could have so much meat to trade with bakers/brewers that they could end up with an unusable surplus of bread/beer. That stalls trade. Smart people would work to have a supply of an always-useful trade item on hand. (I.iv.2) #WealthOfTweets #SmithTweets

(We, the SmithTweeters, have never encountered a surplus of bread or beer we couldn't handle. But let’s assume Smith knows what he’s talking about.) (I.iv.2) #WealthOfTweets #SmithTweets



This is how we get money, folks! We want a stable, always desirable, easily stored, and easily transportable thing we can trade for other stuff! (I.iv.2) #WealthOfTweets #SmithTweets

Cows were probably the earliest form of money, but it's a lot easier to put coins and bills in your back pocket. Let's not even talk about making change. (I.iv.3–6) #WealthOfTweets #SmithTweets



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Many of the things that make a coin a coin were developed to prevent counterfeiting and theft—stamped surfaces, milled edges, and so on. But it's still easier than weighing out piles of metal. Which is still easier than cows. (I.iv.7–8) #WealthOfTweets #SmithTweets

The minute you get princes and sovereign states involved, you know there's going to be trouble. They corrupt the currency whenever they can get away with it, says Smith. (I.iv.10) #WealthOfTweets #SmithTweets

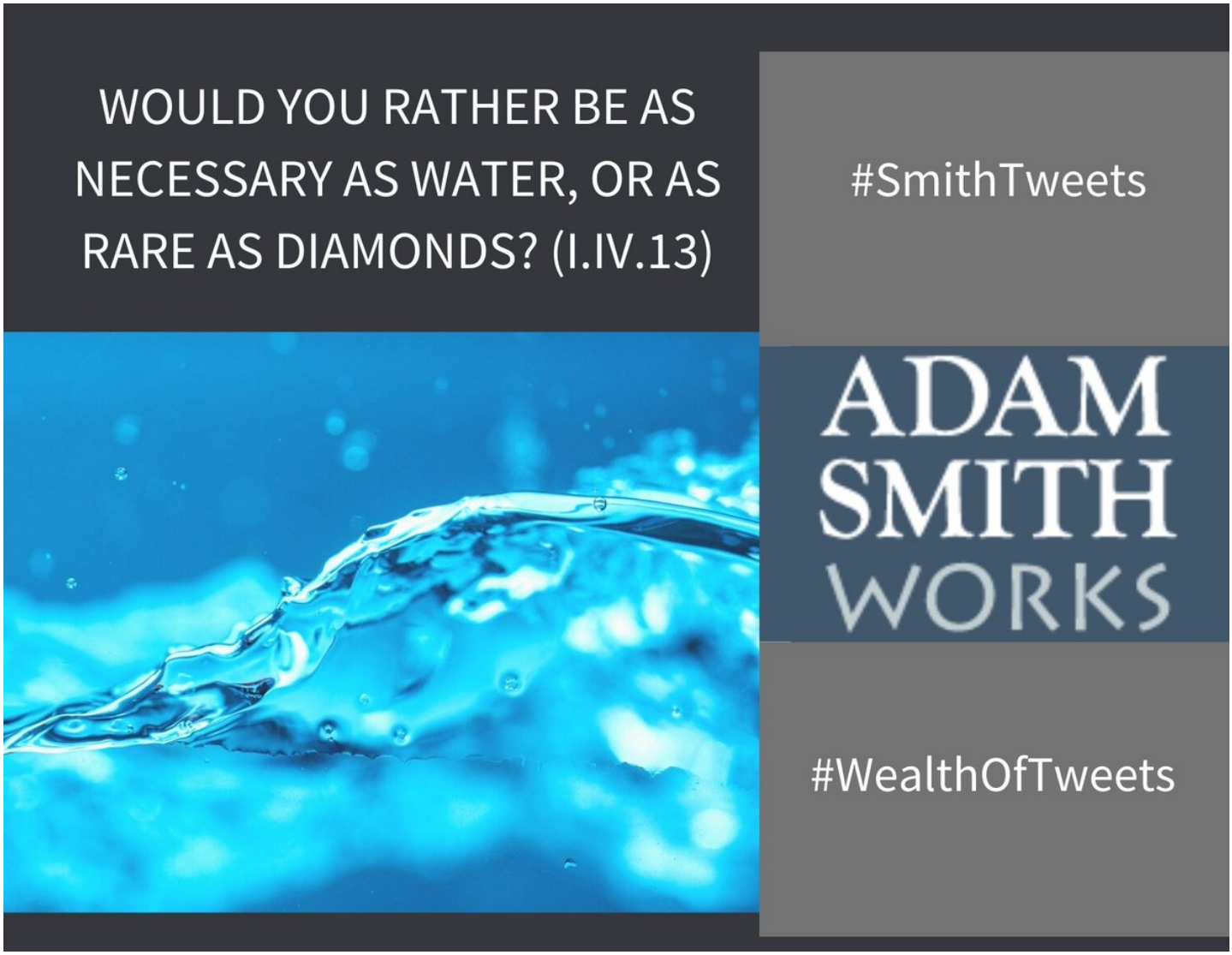
Now, after casually explaining the origin of money, Smith decides to just go ahead and define value while he's at it. Why not? Just your average book chapter, really. (I.iv.13) #WealthOfTweets #SmithTweets #ValueHowDoesItWork

Value can mean usefulness or value can mean purchasing power. That's "use value" and "exchange value." (I.iv.13) #WealthOfTweets #SmithTweets #ValueHowDoesItWork

(Oh look! It's the diamond/water paradox! That's not famous, or anything. Told you this was just your average book chapter.) (I.iv.13) #WealthOfTweets #SmithTweets #ValueHowDoesItWork

Water has high use value. We all need it. But there's so much of it that it has very little exchange value. Diamonds are the opposite. (I.iv.13) #WealthOfTweets #SmithTweets #ValueHowDoesItWork

Would you rather be as necessary as water■, or as rare as diamonds■? (I.iv.13) #WealthOfTweets #SmithTweets



We think it’s very charming when Smith warns everyone that he might be about to get kinda boring, but it’ll all be worth it if you just stick with him. (I.iv.18) #WealthOfTweets #SmithTweets #BuckleUp

“I am always willing to run some hazard of being tedious in order to be sure that I am perspicuous.” It’s okay, Dr. Smith. We are here for the tedium *and* the perspicuity. Bring it! (I.iv.18) #WealthOfTweets #SmithTweets #BuckleUp