Twitter Thread by @AdamSmithWorks

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Everybody ready for more #WealthOfNations? Let's go!



The third sort of rude produce is the kind where human attempts to cultivate and improve it produce unpredictable results. Examples include wool and animal hides. (I.xi.m.1) #WealthOfTweets #SmithTweets

It seems like the price of these should rise right along with the price of meat, but Smith says “Not so fast!” (I.xi.m.3) #WealthOfTweets #SmithTweets



Because this sort of produce travels much better than meat, the market is much much larger. And we all know that more competition drives prices down. (I.xi.m.4–5) #WealthOfTweets #SmithTweets

And it all gets more complicated when government gets involved, like it did in the English wool industry. (Isn't that always the way? You should see the forms we have to fill out to get each tweet govt. approved!) (I.xi.m.8) #WealthOfTweets #SmithTweets

Violence and artifice control price of English wool! 1. Forbidding export 2. Duty free Spanish imports 3. Irish can only export wool to England. English wool stuck as an English (not global) product, but competes w/ Spanish and Irish wool (I.xi.m.8–9) #WealthOfTweets #SmithTweets

Smith seems really frustrated by the lack of historical data on the price of hides. We embrace the mystery. (I.xi.m.10) #WealthOfTweets #SmithTweets

Price of hides has definitely dropped recently, though, and this is because the tanners aren't as good at rent-seeking as the clothiers! (I.xi.m.11) #WealthOfTweets #SmithTweets

When prices for hides and wool drop, the price of meat rises because farmers have to cover costs of land and feed. (I.xi.m.12) #WealthOfTweets #SmithTweets

Since the market for these goods is global, demand and supply in other countries controls price much more than whatever improvements we can make in overall wealth or producing hides and wool. (I.xi.m.14) #WealthOfTweets #SmithTweets

Fish are tricky too, because there's limited water that can support each type of fish, and the amount of work and $$ that goes into traveling farther to catch more fish and get them to market is enormous. (I.xi.m.15) #FishAreTricky #WealthOfTweets #SmithTweets

Mining is basically fishing, but more so. (I.xi.m.17–21) #WealthOfTweets #SmithTweets

But (and remember we are still, OMG STILL, in the Digression on Silver) even if we discover whole new mines, they don't really affect the price of money. They only affect trifling superfluities like how much gold and silverplate there is.(I.xi.m.21) #WealthOfTweets #SmithTweets

If you mail us a silverplated tea set we, the SmithTweeters, hereby promise not to call it a trifling superfluity. Just saying. (I.xi.m.21) #WealthOfTweets #SmithTweets

