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Money

Despite the fact that I don't agree with most of his conclusions, John Kenneth Galbraith is one of my favorite economists. His book: "Money, Whence it Came, Where it Went." is a fun and instructive read. This is an excerpt from chapter one:

"Much discussion of money involves a heavy overlay of priestly incantation. Some of this is deliberate. Those who talk of money and teach about it and make their living by it gain prestige, esteem and pecuniary return, as does a doctor or a witch doctor, from cultivating the belief that they are in a privileged association with the occult — that they have insights that are not available to the ordinary person. Though professionally rewarding and on occasion personally profitable, this too is a well established form of fraud. There is nothing about money that cannot be understood by the person of reasonable curiosity, diligence and intelligence.... The study of money, above all other fields in economics, is the one in which complexity is used to disguise the truth, not to reveal it. Most things in life — automobiles, mistresses, cancer — are important principally to those who have them. Money, in contrast, is equally important to those who have it and to those who don't. Both, accordingly, have a concern for understanding it. Both should proceed in the full confidence that they can."

As much as I like and recommend Galbraith, he too shirks the question: "What is money?" He continues chapter one:

"It will be asked in this connection if a book on the history of money should not begin with some definition of what money really is. What makes this strip of intrinsically worthless paper useful in exchange, leaves another piece of similar size without any such worth? The precedents of such efforts are not encouraging. Television interviewers with a reputation for penetrating thought regularly begin interviews with economists with the question: 'Now tell me, just what is money anyway?' The answers are invariably incoherent.... The reader should proceed in these pages in the knowledge that money is nothing more and nothing less than what he or she always thought it was..." What a cop out!!!!

Denny