2017-1-25

Money

Money is probably the second greatest invention in the human history, just behind human language. (When I mention about money, I am not saying China Yuan, or US Dollar or English Pound, etc. Not any specific type of money. I am actually talking about a thing that is used for trading, from the shells at the first and gold in the ancient time and finally to things we called as “money” now.) Why is that? Because money represents the force that pulls the human species forward, although money was first invented as a tool. It is still seen as a kind of target by most of people, which will, for sure create a pulling force. This pulling force, when it is acting on most of people in a society or system, it becomes a factor that can decide the future of this society.

To understand why money is this important to us, we first need to understand how it was first invented. When we are talking about the human history, the amount of people that works in the same time is always a significant factor (I used “the amount of people that works in the same time” instead of simply “live in the same area”. Because with modern technologies such as telephone and internet that connect more and more people in the same time, people can work across different geographical area. Use a physical word to say it is that only the total amount of “power” is important, the total amount of “work” done is not.). So let us take a look what happened when every time the amount of people works in the same time increased.

At first, there are only, let us see, ten people in the village. There are not really a requirement of using money, people can just trade, oh, it even should not be called as trade, maybe the word “exchange” is more appropriate here. Because everyone are almost doing the same work: getting food. There are not a very big difference between the work everyone did. Fishman hunt for fish, hunter hunt for meat, farmer farms land. They only need to weight out how heavy is the food before they made a deal, so, one kilogram of meat is equal as one kilogram of fish, right? If there is only ten people, their only choice is to get more food, if even one people start to do things like making bowls, he will die because nobody have any extra food for a people who don’t get food by his own.

Now you can see, the problem is the word “extra food”, if people have extra food, they can afford something more than food, simple enough? Let us keep that in mind and see if there is one hundred people works together. This amount of people is enough to make a small town. People can hunt together, farm together and do fishing together. Of course, we all know that if ten person hunt together, at last they will get much more than ten separate people, because now they can hunt for larger animals like dear or ox instead of small rabbits. It’s more efficient, and this efficient creates what? Extra food! That is exciting, human beings finally walk out from hunger and begin to look for other things to do except making foods, some people start to make tools that can make hunting even more efficient in their spare time, people like food even they already has enough. Once someone creates a new thing that everyone would like to have, this thing become exchangeable, now the problem comes, how much weight of food is enough to exchange an axe, or a bow?

Hmmm, that is a difficult question, and we can make it even harder. What if someone creates art? It’s completely useless for getting more food. How can we exchange that? No one want to label a different standard for every object, because it is hard to make sure whether the deal is good for him or her or not.

Surprisingly, this is already the solution. We can use something that everyone likes, but cannot goes away easily. (That is the problem of using food as money, I think, because you will feel you are eating your “money” and stop eating food). Art is a fantastic thing for trading.

People did not really use “art” but shells so they can prevent everyone starts to make arts and no one goes for food. Shells are not that easy to find so someone like the head of these people can manage the “money” easily.

Things happens after that are very easy. After the amount of people became bigger and bigger, the ratio of people making food became lower and lower, shells are not enough to use and hard to use and keep. Therefore, it is not weird to see people using gold coins after that. And paper, and finally electronic data (which is nearly nothing in the real world).

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