

Interesting Economics Questions

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Forgive me for not knowing as much as you think I should about economics, but I have a few ideas I'd like the higher forms of life here to comment on.

The price of everything is going up all the time, which prompts 2 questions:

1 – If minimum wage keeps going up with the cost of living increase, does that mean that there will come a day when this wage will be \$100.00 per hour? And then even more ridiculously high wages in the farther future? Are personal cars and trucks one day going to cost millions of dollars each?

2 – Why do prices go up anyway? The way I figure, everything most people buy everyday, can ultimately be traced to large factories, owned by fat cats or corporations that are never satisfied with their current profit margin. Aside from rich fat cats that are never satisfied with their profit increases, what else am I missing from this picture?

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I was intrigued by a discussion I happened upon a year ago, which said that the idea behind money's "worth", originally, was because it was backed up by gold at the treasury. The discussion went on to point out, correctly I believe, that gold's relationship to the dollar notes in your wallet is extremely superficial, and it's functionality has more to do with the seller BELIEVING this money has actual worth (as he takes the money from you), than in the money actually POSSESSING worth. In other words, today's money is not worth the paper it is printed on. This of course is obvious, but i cannot help but think of how decietful this scheme really is. To me, it boils down to this: that the value of money is completely determined by the seller of goods you wish to purchase from, and has absolutely NOTHING to do with possessing actual worth. Further, the seller's appraisal of the money's worth, will be determined by what HE thinks he can do with it. In other words, money has no ACTUAL value, as it originally did, and thus has only illusory value. Comments?

Forgive me if you've heard this question before, but....

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What would be the economic consequences if the Treasury, only one time, sent a stack of \$100 bills, say, \$500,000 worth, to every family currently on welfare? How would this negatively impact the economy if familie currently on welfare were suddenly able to pay off all debts, buy cars and houses for themselves, and send their kids to private schools? I see lots of businesses making profits and thus growing, and I cannot foresee any disasters.

As you answer, ask yourself what you thought President Bush was up to, when he sent that \$300 tax–refund check to so many blue collar workers back in 2000 (2001?). The check was drawn on the "U.S. Treasury."

If that didn't hurt the economny, why couldn't they have written the check for \$300,000 for each person, instead of \$300?

And finally, if it is true that fake money hurts the person who discovers it and hands it over to authorities (or throws it away, etc), let us suppose one that is so good that it never is detected? Would this good fake still be hurting the economy as it is passed back and forth between businesses, banks and customers?

If it isn't hurting anybody in the chain of people who pass it back and forth in the sincere belief that it is real, then this seems to cement my earlier contention that modern American currency has no actual worth itself, nor is it's being backed up by gold reserves sufficient to impart actual worth, but that the money is believed falsely by sellers of goods to have innate worth. They accept the money in your pocket solely because they know other businesses will sell them products in exchange, and for NO other reason. Is not then such worthless money a very decietful thing?

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