

P.J. Smith
Discussion Notes From January 30, 2006
Cultures and Traditions

Topic: Adam Smith's *Wealth of Nations*

Mr. Garrett gives quote from (I-7) explaining how money is created for the exchange of goods.

Mr. Serak gives quote from (I-10) explaining the importance of Free Trade.

Mr. Barnes gives quote from (I-5) explaining the division of labor as being responsible for the wealth of a nation.

Mr. DeRolf gives quote from (I-13) discussing the education of the masses.

Mr. Flack quotes (I-9) discussing wage and how it is governed by the masters. He also explains the advantage of the division of labor, its efficiency, and faster production.

Serak explains disadvantage of division of labor that it molds people into doing one job.

DeRolf poses question of whether or not overproduction is bad.

Serak answers saying that overproduction to a point of not being able to sell all goods is bad.

Mr. Wood sees the solution to this as decreasing production.

Mr. O'Rourke says that how well off the populace is determines the wealth of a nation, not the amount of money in the possession of the king, for example.

Mr. Jinks says that if people produce more that they can use, then they can trade their surplus production for other things they need.

Barnes says that the division of labor is responsible for a nation's wealth.

DeRolf believes that its an abstract concept to make products with value enough to use as exchange.

Jinks says owners of factories organize secretly to drop wages and increase working hours.

Flack says that masters can last longer without workers. Workers must rely on help until they are able to sell goods.

DeRolf poses question of Minimum Wage: is there a natural floor?

Is it just a way to keep companies from dropping wages too low so as to make a bigger profit for themselves?

Mr. Ellis says that this is the nature of businesses in general.

Jinks states that minimum wage is not living wage.

O'Rourke states that minimum wage isn't for people who work 40 hours per week but for those workers such as high schoolers with a summer job.

Welfare was discussed and how extra money is given to people with more children.

Jinks states that Smith would want people to be provided necessary means for living.

Barnes asks whether or not Smith would be in favor of government programs, handouts, etc.

DeRolf goes on to say how Smith's discussion of trade between countries is relevant to today's NAFTA and CAFTA.

Garret says there should be allowed a natural competition between companies, making reference to (I-11).

Should there be protective tariffs?

Do we have the right to sanction countries who don't treat workers well.

Adam Smith argues to fight against sweatshops because they flood the economy, causing mass production, making goods cheaper. This is something which caused China's economy to grow massively.

Are foreign products putting domestic producers out of business?

O'Rourke says no, that the domestic producers won't improve their product, thus causing consumers to seek business with foreign producers. Foreign producers establish themselves in America and have parts made overseas and shipped to America where final product is made.

DeRolf: Which industries need protection?

Jinks responds with agriculture.

Garret says we need to avoid dependence on other countries(I would have to say namely oil) because this can lead to universal depression.

The issue of education on page I-13. Is a better universal education a good thing?

Serak says that people who are assigned to one task become ignorant, so education for them would cause them to aspire to get a better job.

Flack says that if everyone becomes a 300,000 dollar per year person, no one will produce anything.

End of minutes for January 30, 2006