FREE TRADE'S GIANT SUCKING SOUND:

THE ***cause of poverty, and spawning ground for all forms of slavery around the world***

During the 1992 Presidential debates, candidate Ross Perot made a name for himself by pointing out the obvious about "free" trade:

- when you have a 7 to 1 wage differential or a 7 to 1 price differential between countries, the best that can be expected is a giant sucking sound of lost jobs and income forcing nations to compete in a race to the bottom of the economic food chain – all while the savings and profits of all participating nations gets funneled into the investment class and investment banks.

inflation
recession
pay
cuts
decline
loans
layoff
downturn
depression
tax
position
slump
funds
stagnation
earnings
spending
repossession
debt
bankruptcy
job
economy
expenses
occupation
security
collapse
profession
business
wages
capital
money
charges
costs
cutback
mortgage
unemployment
work
redundancy
rates
finances
prices
salary
career
payments
cash

WHAT IS THE BASIS

FOR “FREE” TRADE . . .

AND WHO BENEFITS?

In 1769 Benjamin Franklin observed that there are only 3 ways a nation can become wealthy:

#1. It can engage in war and war profiteering.

#2. It can reap unearned profits through exploitation of wage and price differentials, under cover of “free” trade.

#3. OR, it can create *new*, *earned* wealth through a balanced domestic “exchange” economy

So. . .

What is the source of new, *earned* wealth, and how does it differ from *unearned* wealth?

The American colonists followed the basic principles of the early French physiocrats, who created the first strictly scientific system of economics.

The most significant contribution of these physiocrats was their emphasis on productive work as the source of national wealth.

Their basic axiom was “All new wealth comes from the land, and labor enabled its production.”

In contrast, classical economists such as Thomas Malthus and Adam Smith held that a nation's wealth came from international trade. .

The kind of trade that emphasized national specialization in products in which they had “absolute advantage” over another nation, thereby allowing for economies of scale and increased efficiency. . .

. . . And cheaper prices.

The American colonists not only learned from the French Physiocrats, but they also learned through first-hand experience that a nation's economy creates new, *earned* wealth out of production, not trade.

They understood implicitly that each year's production of goods and services should create the income needed to operate the nation as a solvent business able to consume its own production.

They also knew that a country that wants to maintain national income sufficient enough to keep its own people producing *new, earned* wealth cannot afford. . .

1) to import cheap products,

2) to export products below cost or

3) Allow more foreign products into their markets than those markets could absorb at the same prices obtained by their own domestic producers.

In other words, protecting the domestic economy of any country and its producers requires tariffs, quotas and similar measures.

“Free” trade advocates say that farmers (or other businesses) who can't compete with “cheap” world prices should go out of business.

They call this “competitive advantage” resulting in increased “efficiency.” And, farms forced out of business become “investment opportunities” . . .

. . . that involve picking up farms for a dime on the dollar - - - then turning them into more “efficient” industrial-style farms, never mind the laws of biology.

Foreign investment opportunities are also a key part of “free” trade.

BUT . . . loans from a high income nation to a low income nation cannot be repaid –

UNLESS. . .

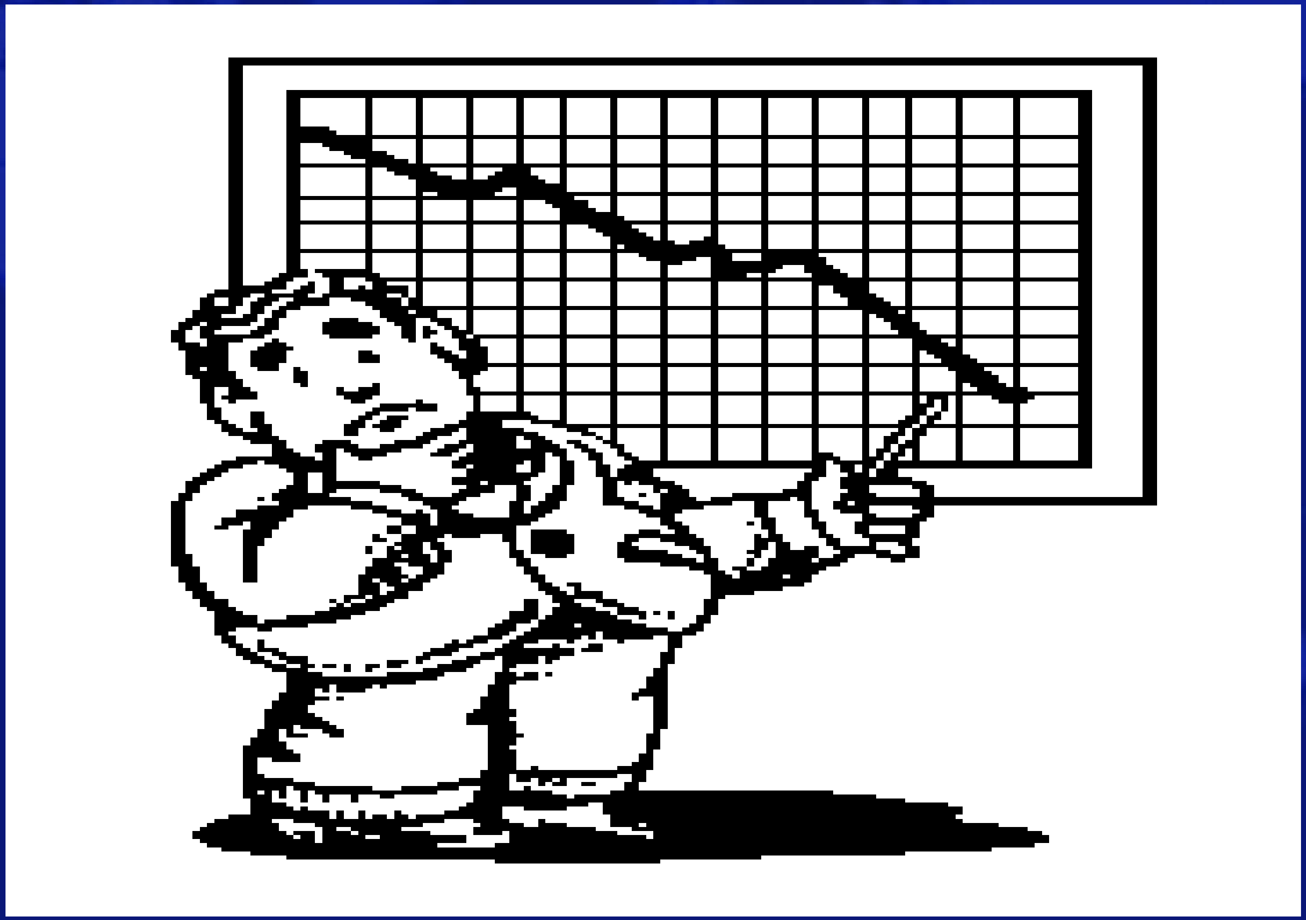
The low income borrower nation manages to sell enough of its own cheap goods to higher markets – all at the cruel and unjust expense of its own people.

The domestic economies of every nation differ in terms of resources, stage of development, labor costs, and so forth.

Trade that exploits wage and price differences means that the economies and earned income of all participating countries will suffer. . .

. . .even if investors, as a class, are able to reap huge rewards.

“Free” trade reduces national income, destroys the domestic economy in rich and poor nations alike



International trade ***should*** be about trading in a way that respects the internal economy of every nation.

This way, NO ONE profits through exploitation and *everyone* is better off!

For all non-exploitative economies, the economic cycle boils down to two operations:

1. Payments by producers to their employees and themselves for producing new wealth.

2. The payment of the *same* money by the *same* people (and other consumers) to get the wealth out of the production system after products are made.

Raw materials, such as wheat that is used to make bread or the iron ore that is used to make steel, are the first and most important stage in the wealth-production process because it is here that national income is built

So, when a bushel of wheat is sold to a miller and turned into flour and then the flour is sold to the baker and turned into bread, each exchange adds to the price but not to the product.

These transactions added together are what makes up our national income.

We fail to understand:

-that a nation's wealth is derived from the income that is earned by its own people

-that new wealth originates in the natural world, and man's activities simply add value to Earth's products.

We also manage to confuse ourselves . . .

With common economic terms that distorts our perceptions about national income and the true source of our wealth. . .

Terms like velocity of money, double-entry book-keeping, financial capital, financial assets, yield curve, dispersed costs, consumer price index, inflation, stagflation, deflation . . .

None of these terms tell us anything useful about the true source of a nation's wealth.

The source and creation of new wealth of a nation boils down to two parts:

1. The income people earn through production of goods and services for human use.

2. The price goods sell for at the consumer level.

Stated in monetary terms:

Production x Price = Income

Income is the monetary measure of value.

This money then delivers the ability to exchange the products you produce.

Creation of *new* wealth is the true source of savings and profits within a nation.

But . . .if wages or prices are kept too low, national income falls.

This forces government, business, and people to expand income with debt.

And. . .the more debt we have the more future income must be used to pay the debt.

As debt accumulates . . .

Governments will seek to reduce costs via austerity cuts, and seek to increase revenue via higher taxes, privatization of public assets and other means.

At the same time more and more ordinary people and businesses will go deeper into debt, go bankrupt, lose factories, homes and jobs, find ways to do without – or when desperate enough, find other ways to survive.

Greed, corruption, aggression, abuse and other dark elements of human nature begin to emerge. . . .

The truth is. . .

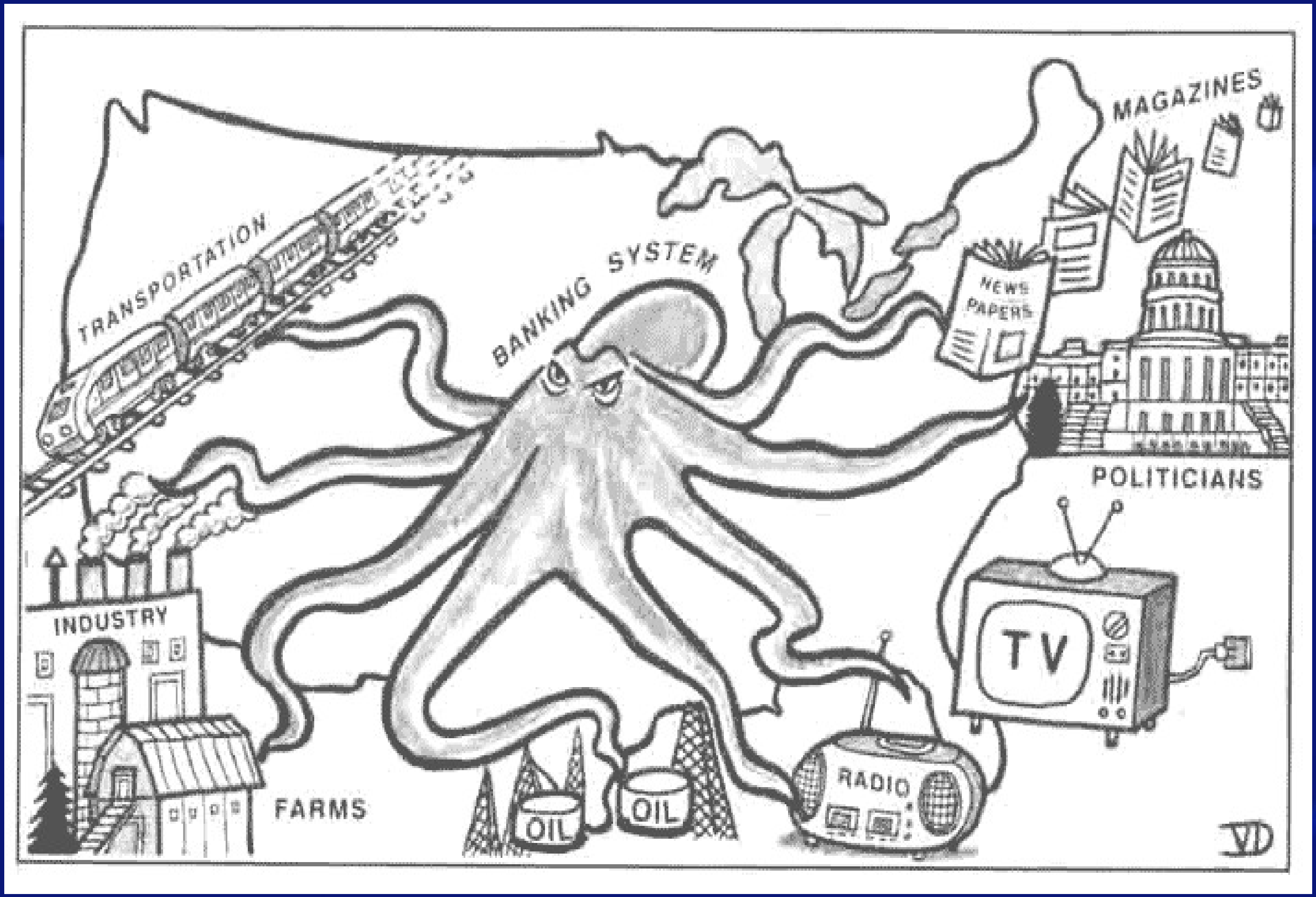
Expanding income through debt creates only the illusion of prosperity and encourages us all to live beyond our means - and beyond what the environment can bear.

This debt eventually becomes unpayable.

Borrowed money is no substitute for earned money . . .

but “free” trade forces us all to rely on ever-increasing amounts of borrowed money!

Public policy that supports “free” trade keeps wages and prices low, forcing people, businesses and government to borrow from private banks.



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We need to understand that when all the sectors of the economy are in balance and able to earn their way, people have profits.

They are their own bankers.

Paraphrasing Abraham Lincoln:

I don't know anything about tariffs, I don't know much about rails. But here is one thing I do know: if we buy the rails for our railroads from foreign countries they will have our money and we will have the rails. But if we buy the rails from ourselves, we will have both the rails and the money.

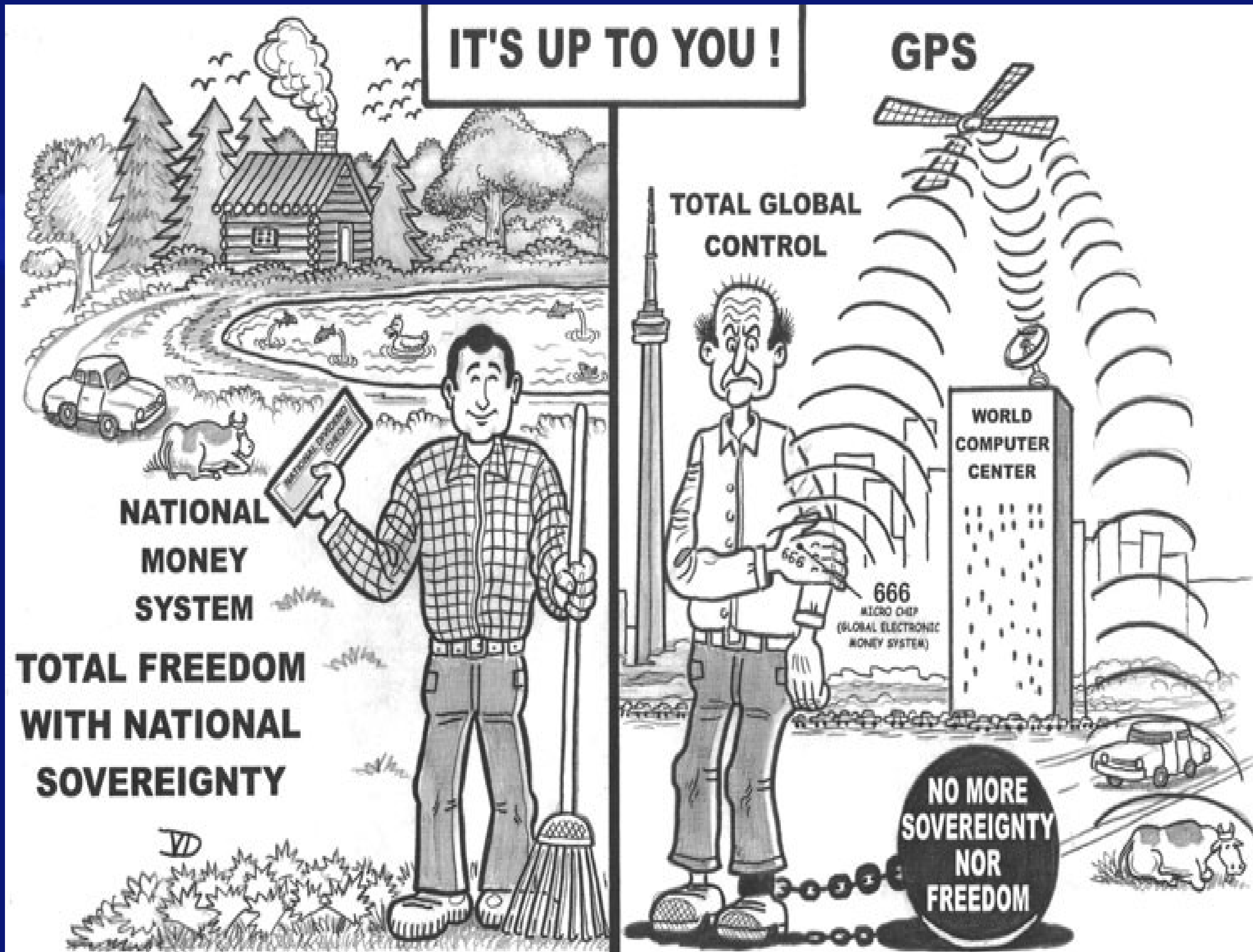
The Constitution, in its “power to coin money” phrase, gave Congress the power to provide a monetary system independent of the monetary systems of other countries. . .

And to regulate the value of the dollar – which is our own monetary measure of value.

This means that. . .

Congress has the power to correct our monetary system and to establish a trade system that is equitable and just to all.

It's time for us to speak with one voice and demand proper monetary reform as detailed by the NEED Act.



IT'S UP TO YOU !
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WORLD COMPUTER CENTER
666
MICRO CHIP (GLOBAL ELECTRONIC MONEY SYSTEM)
NO MORE SOVEREIGNTY NOR FREEDOM