



***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 or price differential between countries, the best that can be expected is a giant sucking sound created by the race to the bottom of the economic food chain - while the income of all participating nations gets funneled into the investment class and investment banks.



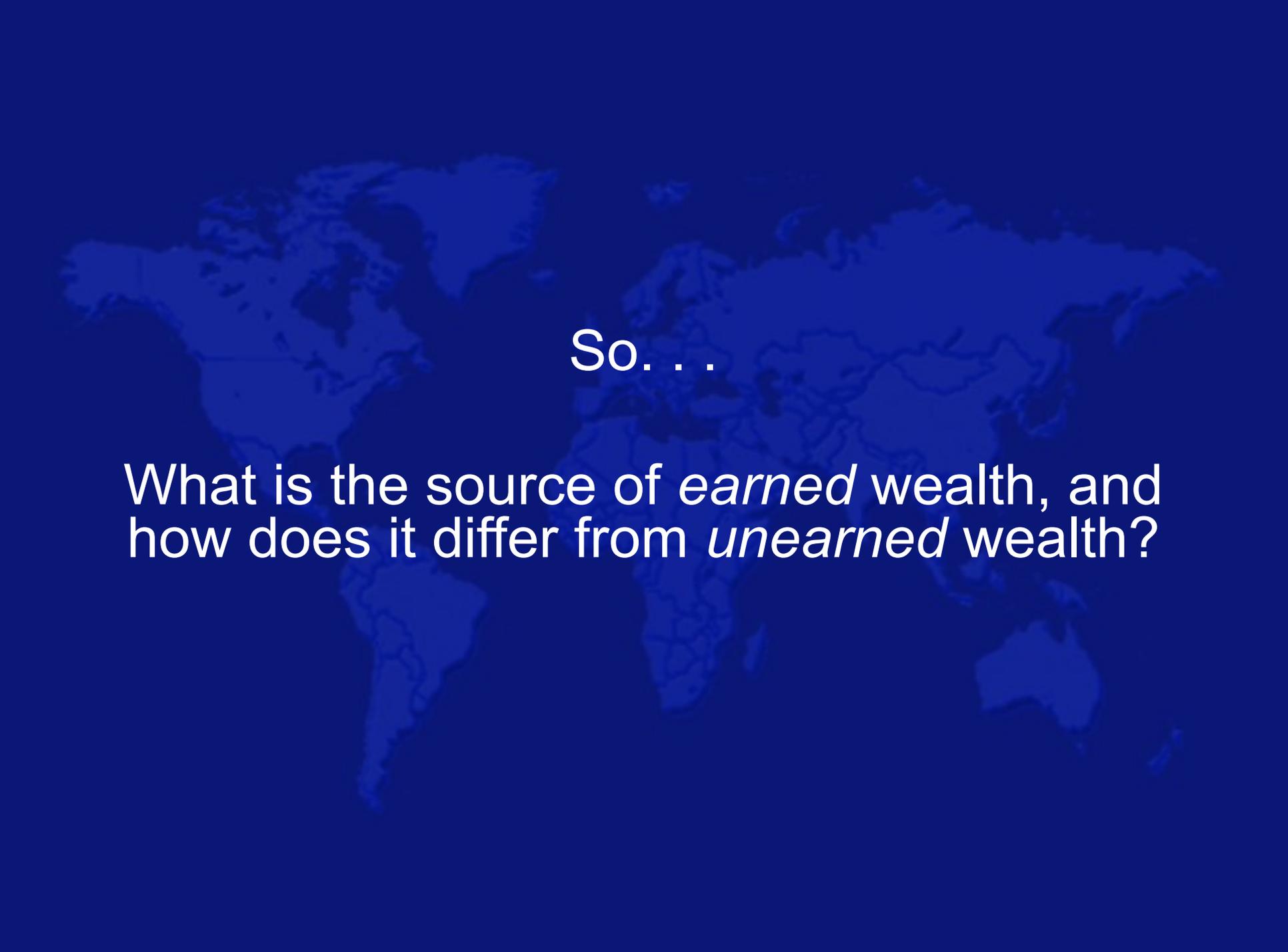
WHAT IS THE BASIS
FOR “FREE” TRADE . . .
AND WHO BENEFITS?

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 *earned* wealth, and how does it differ from *unearned* wealth?

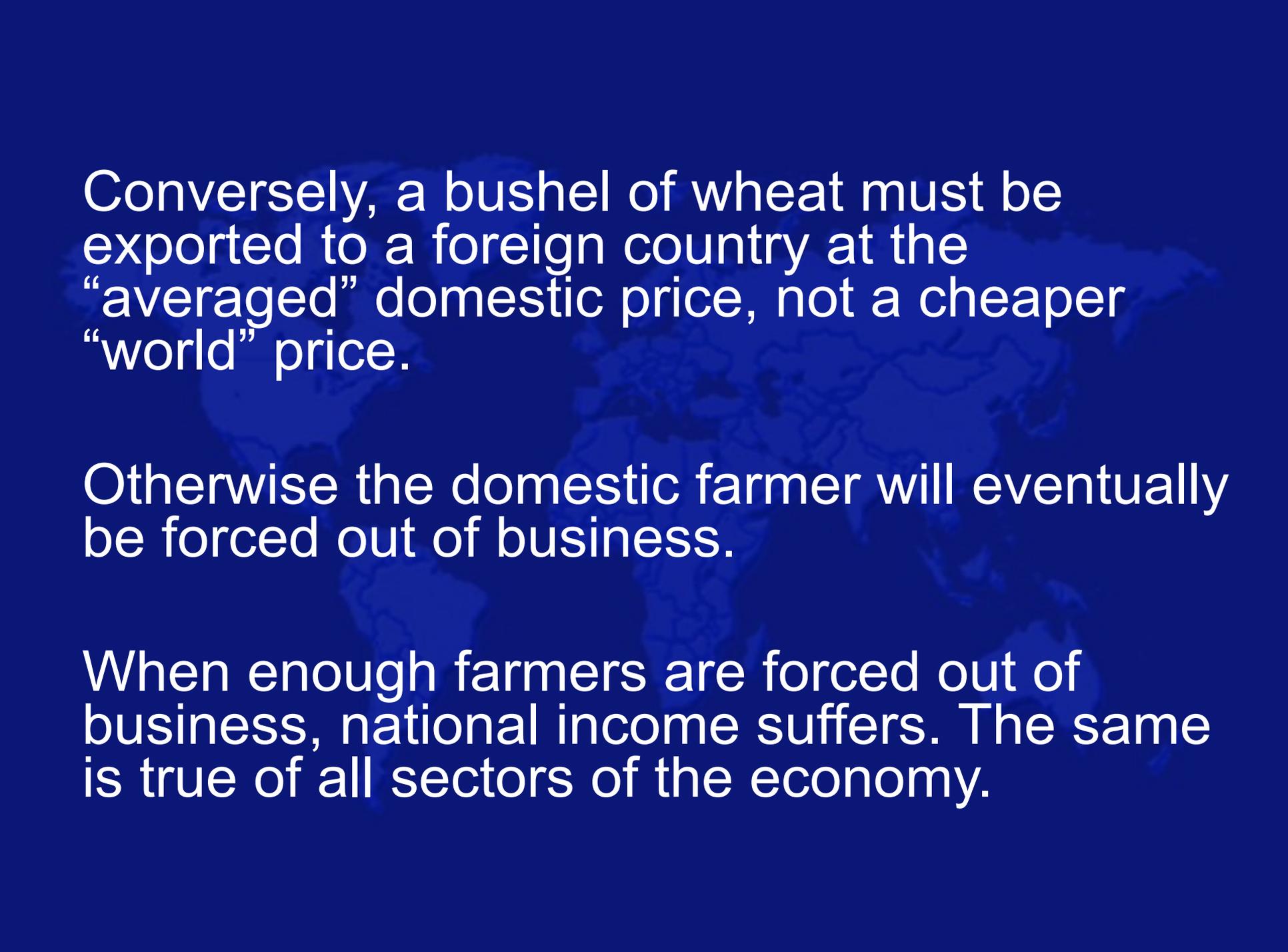
A nation's economy creates wealth out of production, not trade.

The standard of living in any country is the result of income *earned* through its production of goods and services.

So, a country that wants to maintain national income sufficient enough to keep its people producing new wealth cannot afford to import cheap products. . .

Such a nation must import under conditions of equity, i.e., a bushel of wheat imported from a foreign country must be purchased at the “averaged” domestic price, not the cheap “world” price.

This is fair to both sides of the exchange, raising the income of a poorer foreign nation while also protecting our domestic farmers – and national income.



Conversely, a bushel of wheat must be exported to a foreign country at the “averaged” domestic price, not a cheaper “world” price.

Otherwise the domestic farmer will eventually be forced out of business.

When enough farmers are forced out of business, national income suffers. The same is true of all sectors of the economy.

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 “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 . . . investments that flow into foreign
nations cannot be repaid –

UNLESS . . .

The investor nation accepts low priced
goods in return!

International trade *should* be about trading stuff for stuff.

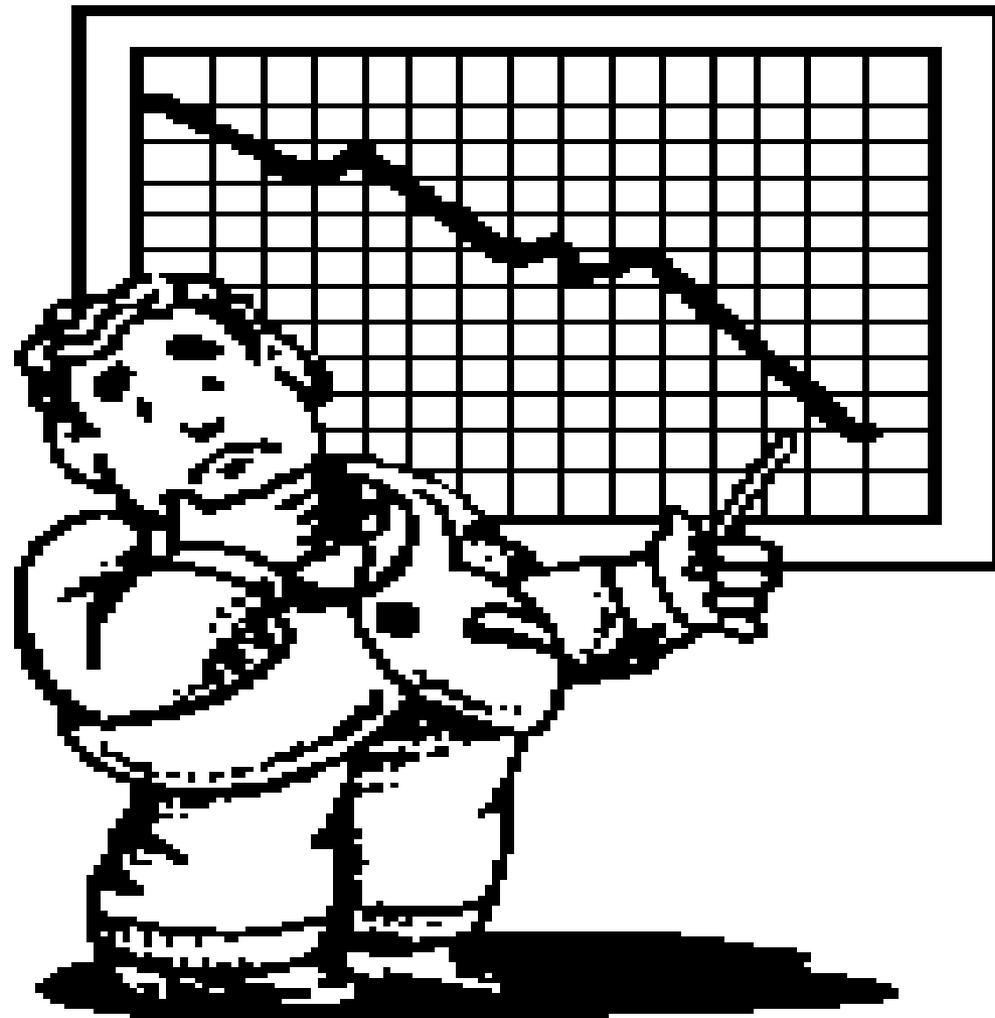
Thus, a high market country has to pay its own market price for imported stuff and it has to demand its own market price when it exports its stuff.

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

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.



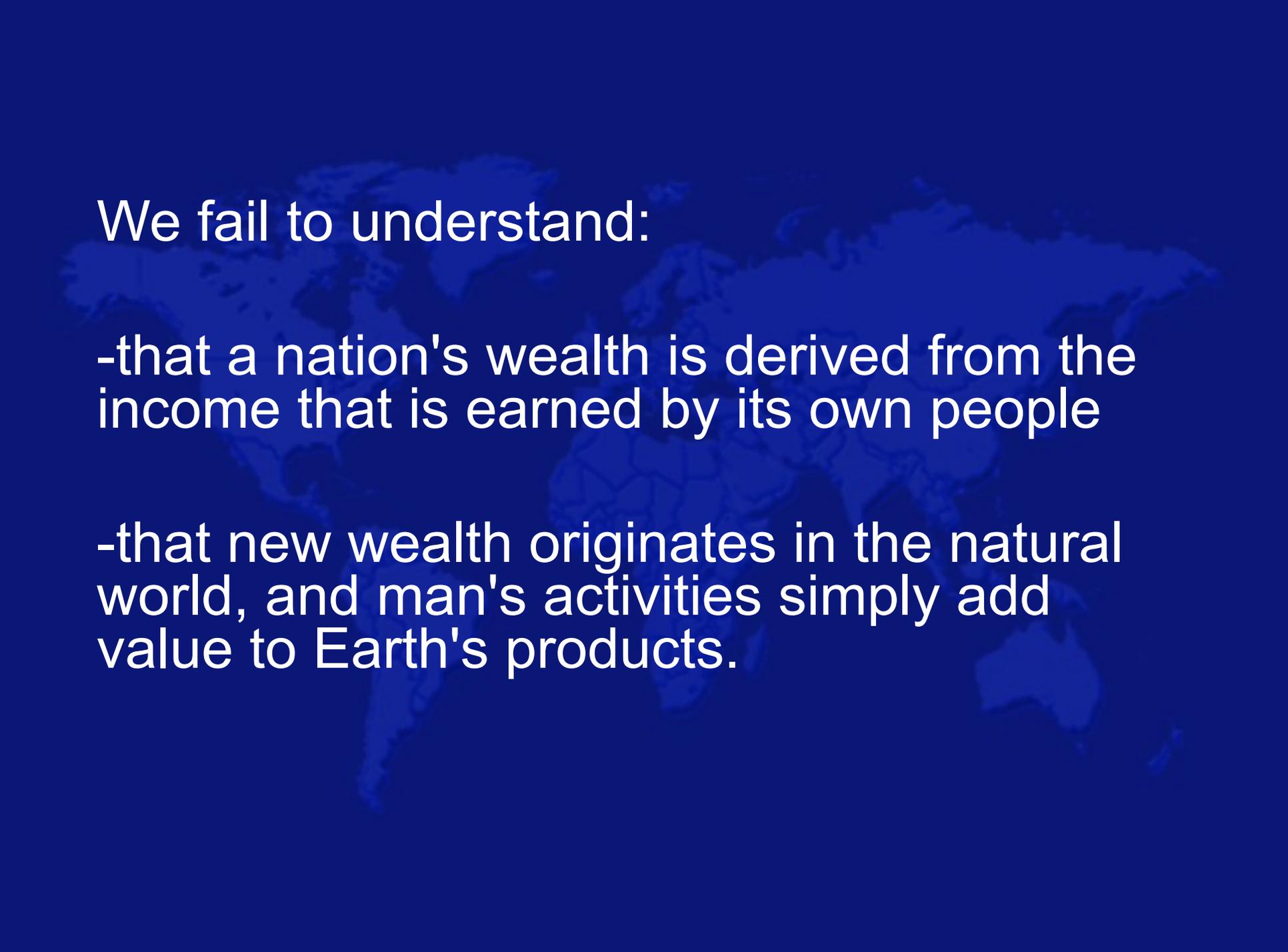
For all non-exploitative economies, the economic cycle boils down to two operations:

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 stage in the wealth-production process:

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.

When all these transactions are added together we get national income.



We fail to understand:

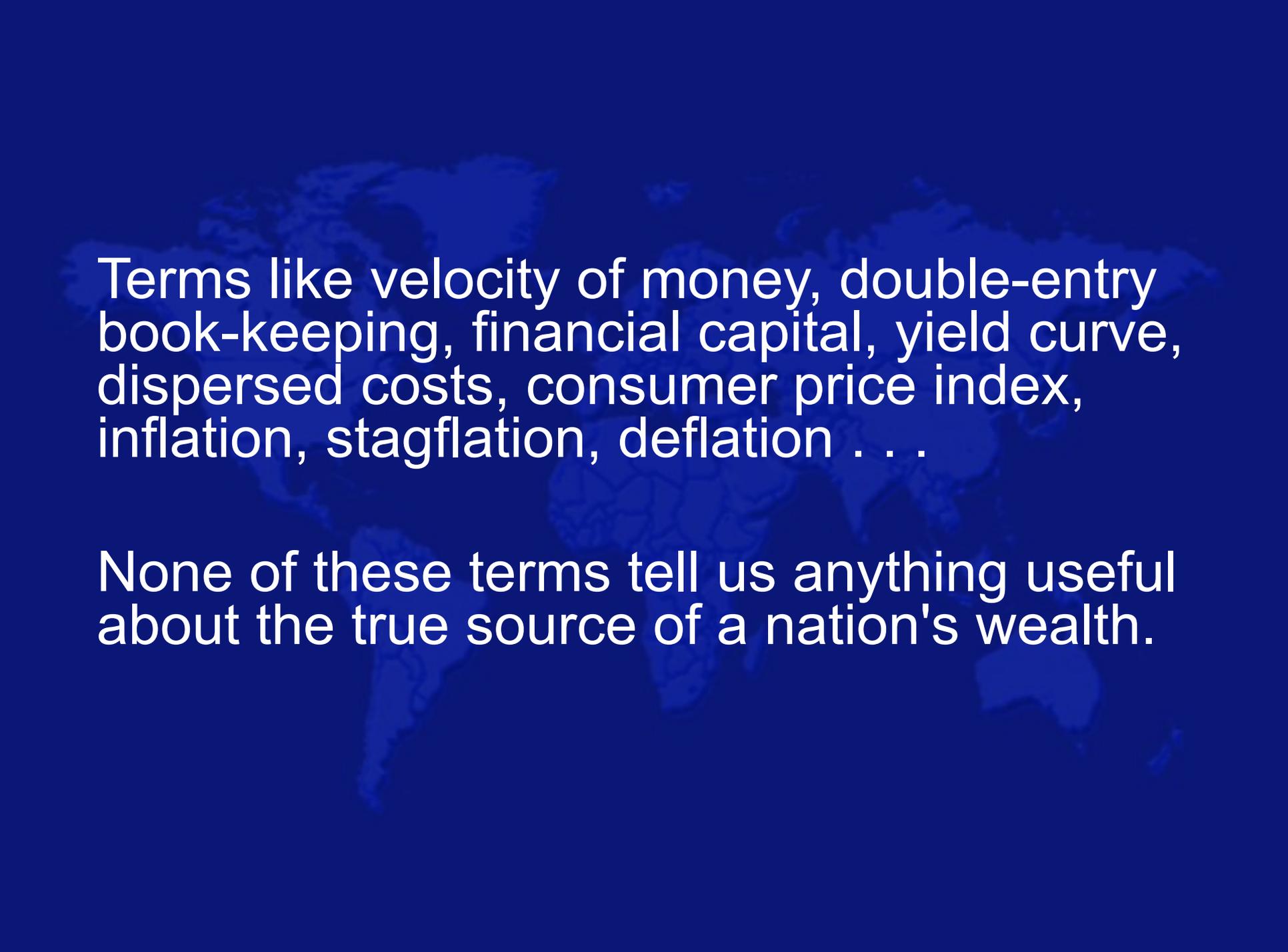
- that a nation's wealth is derived from the income that is earned by its own people

- 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 . . .

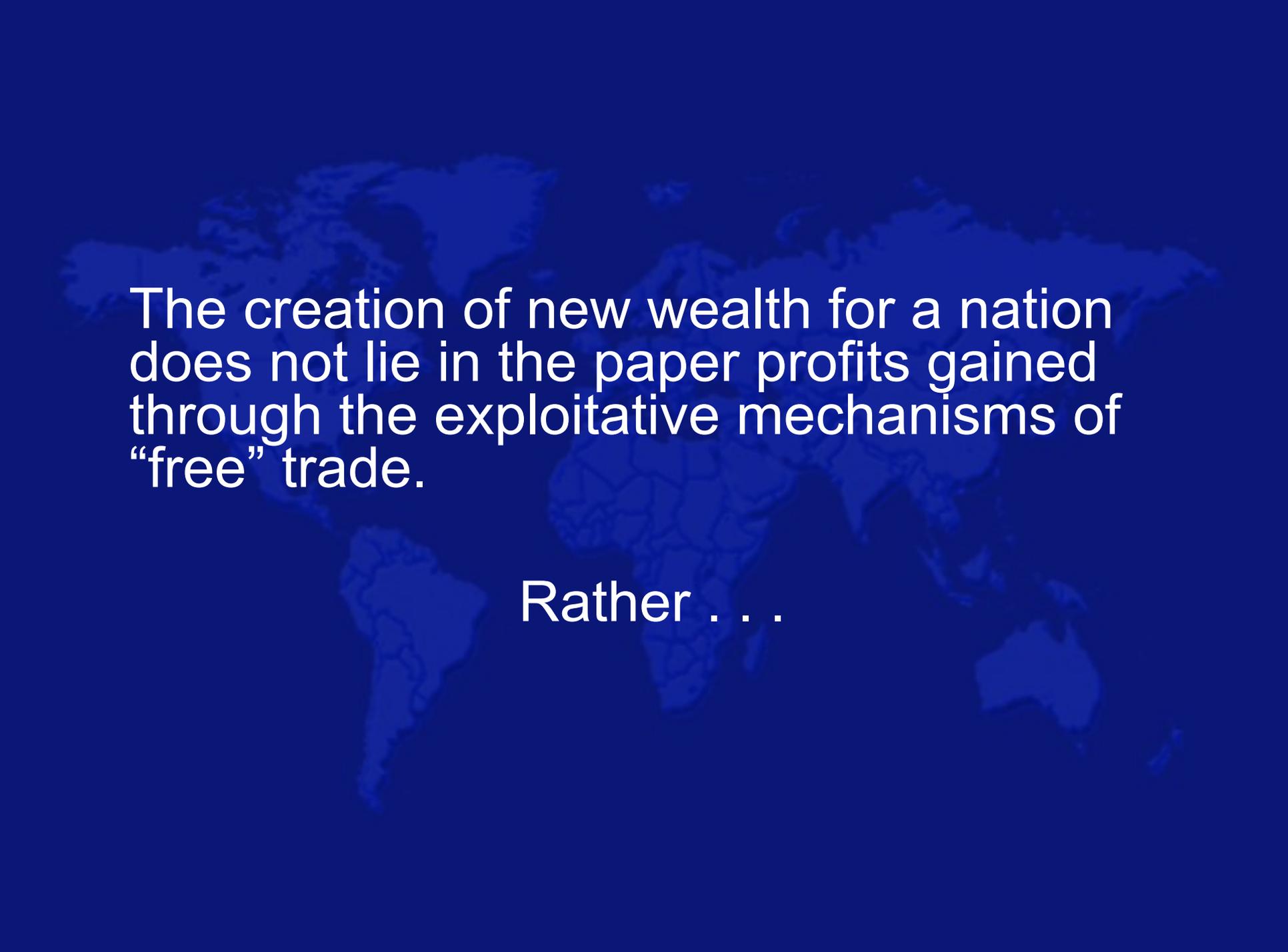


With common economic terms that distorts our perceptions about national income and the true source of our wealth. . .



Terms like velocity of money, double-entry book-keeping, financial capital, 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 creation of new wealth for a nation does not lie in the paper profits gained through the exploitative mechanisms of “free” trade.

Rather . . .



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

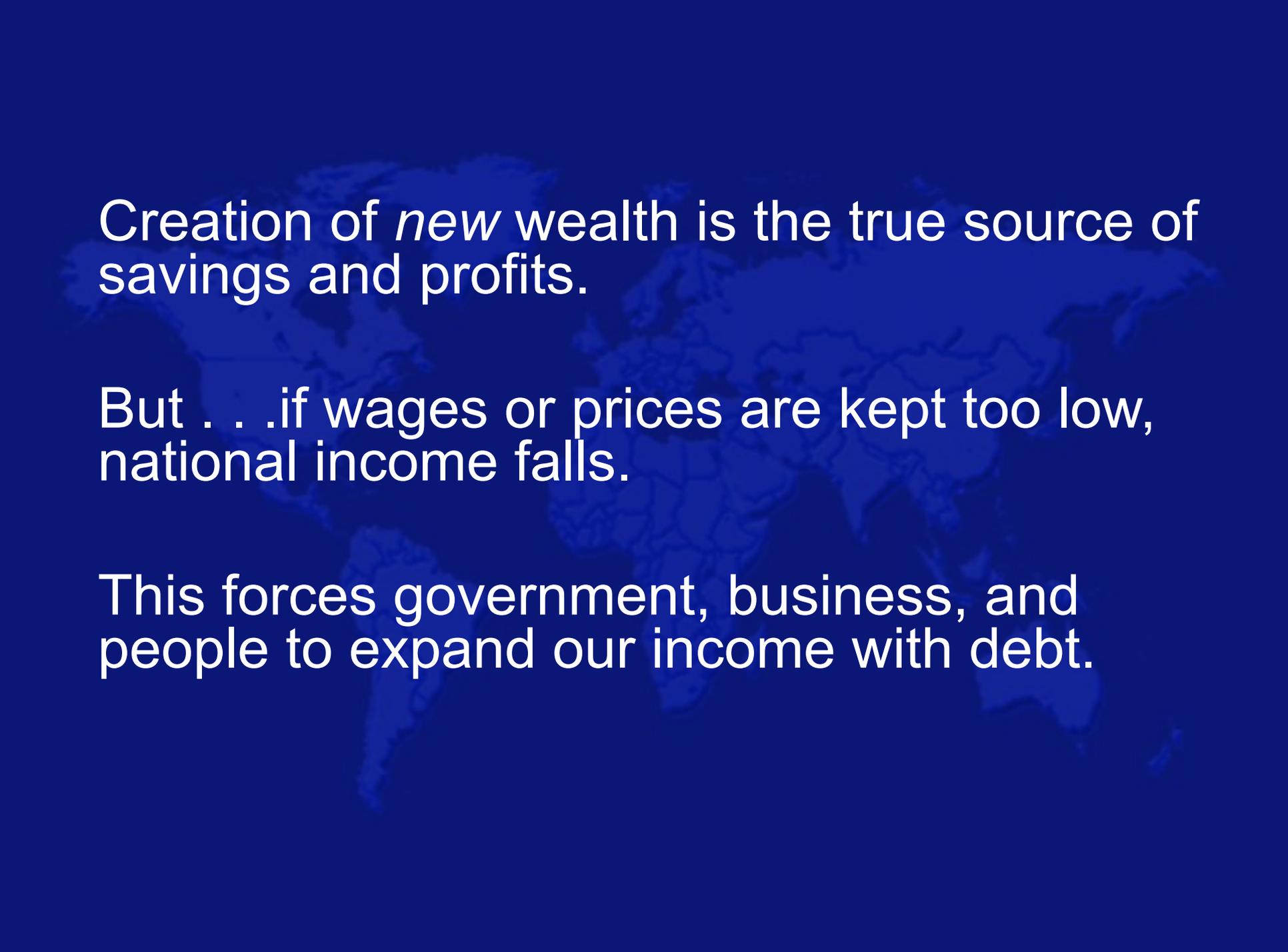
1. The income people earn through production of goods and services for human use.
2. The price goods sell for at the consumer level.

Stated in monetary terms:

$$\text{Production} \times \text{Price} = \text{Income}$$

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.

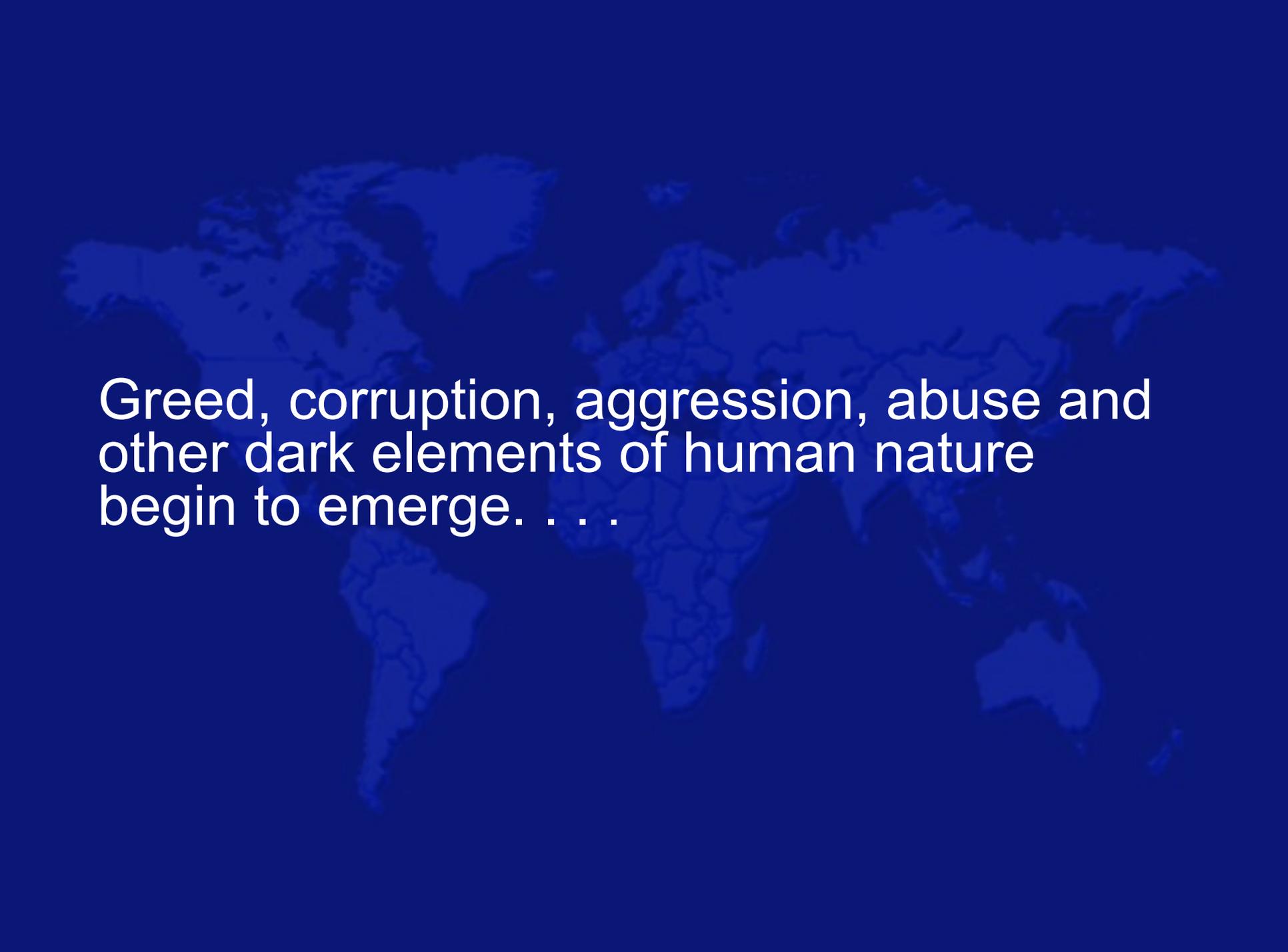
But . . .if wages or prices are kept too low, national income falls.

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

As debt accumulates. . .

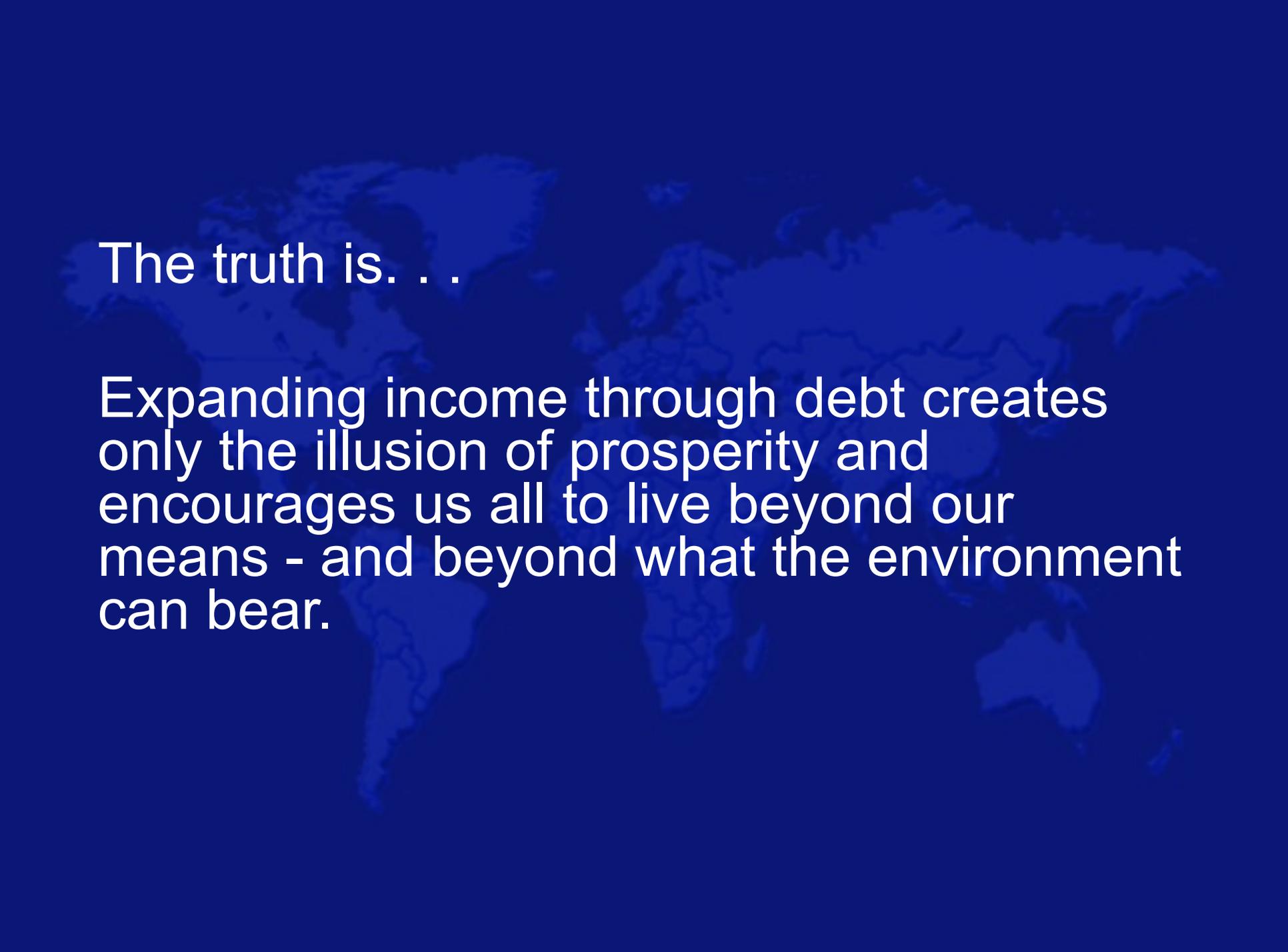
Governments will seek to reduce costs via austerity cuts, and seek to increase revenue via higher taxes, privatization of public assets and other means.

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.



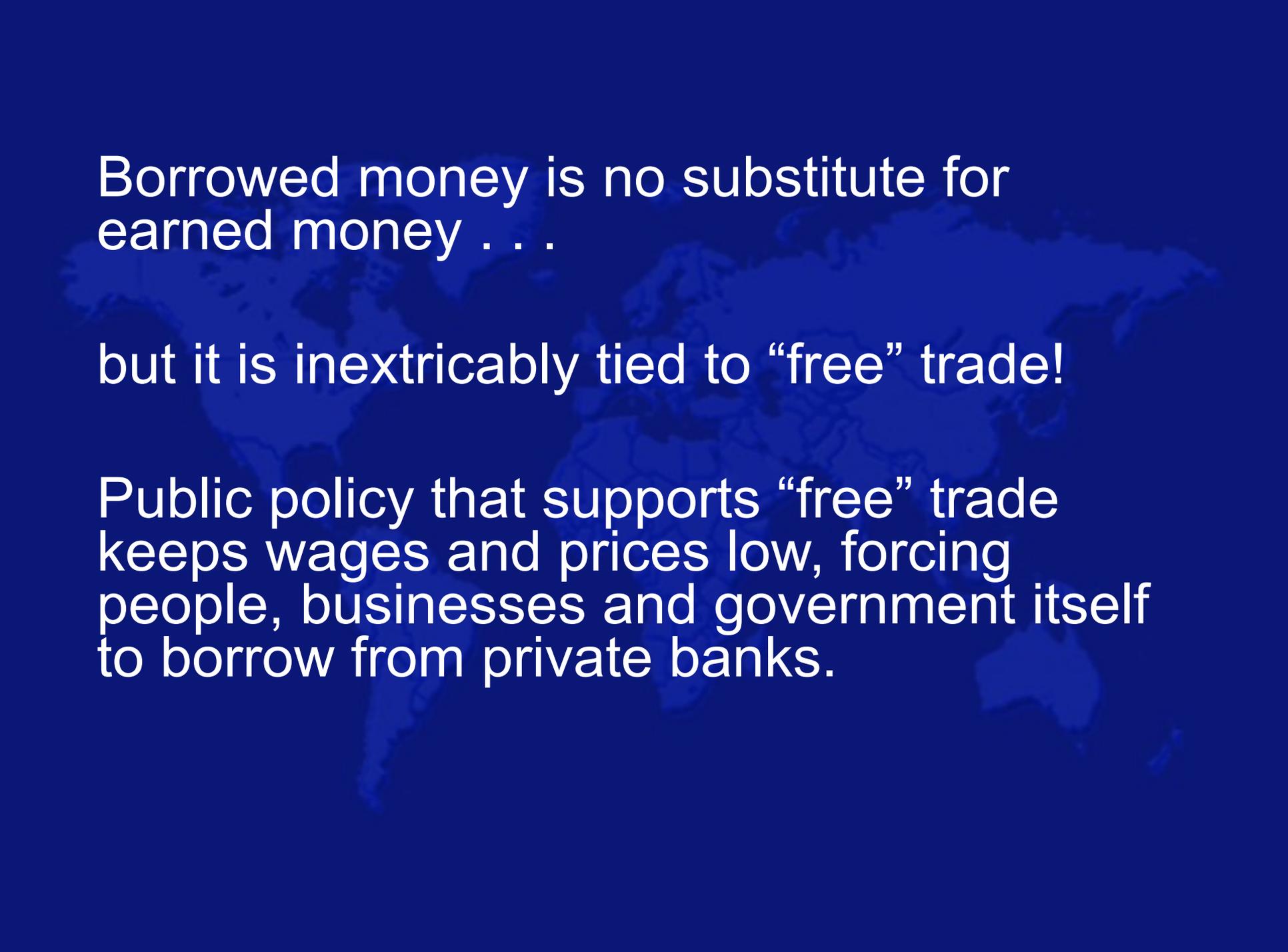
Greed, corruption, aggression, abuse and other dark elements of human nature begin to emerge. . . .





The truth is. . .

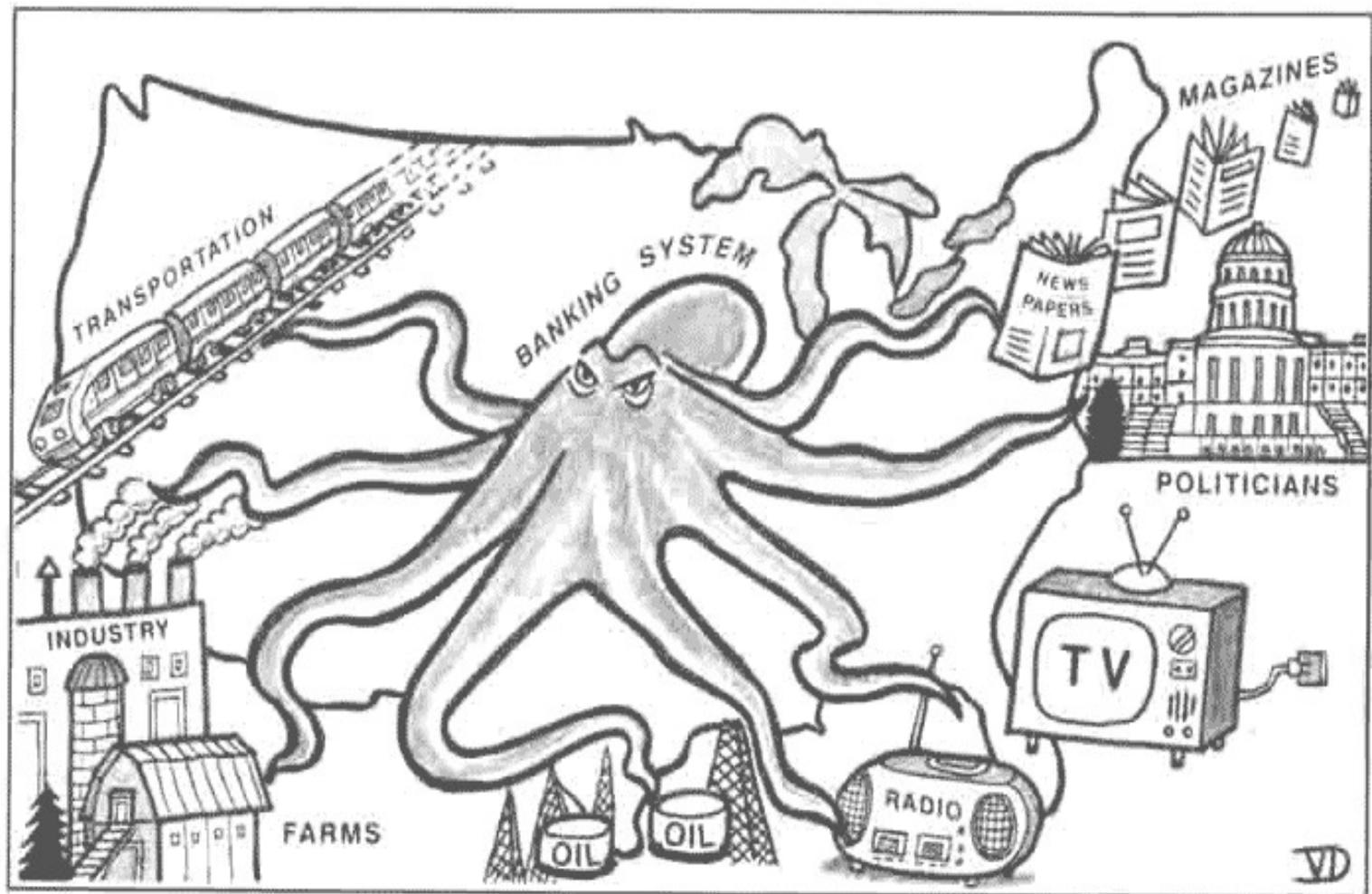
Expanding income through debt creates only the illusion of prosperity and encourages us all to live beyond our means - and beyond what the environment can bear.

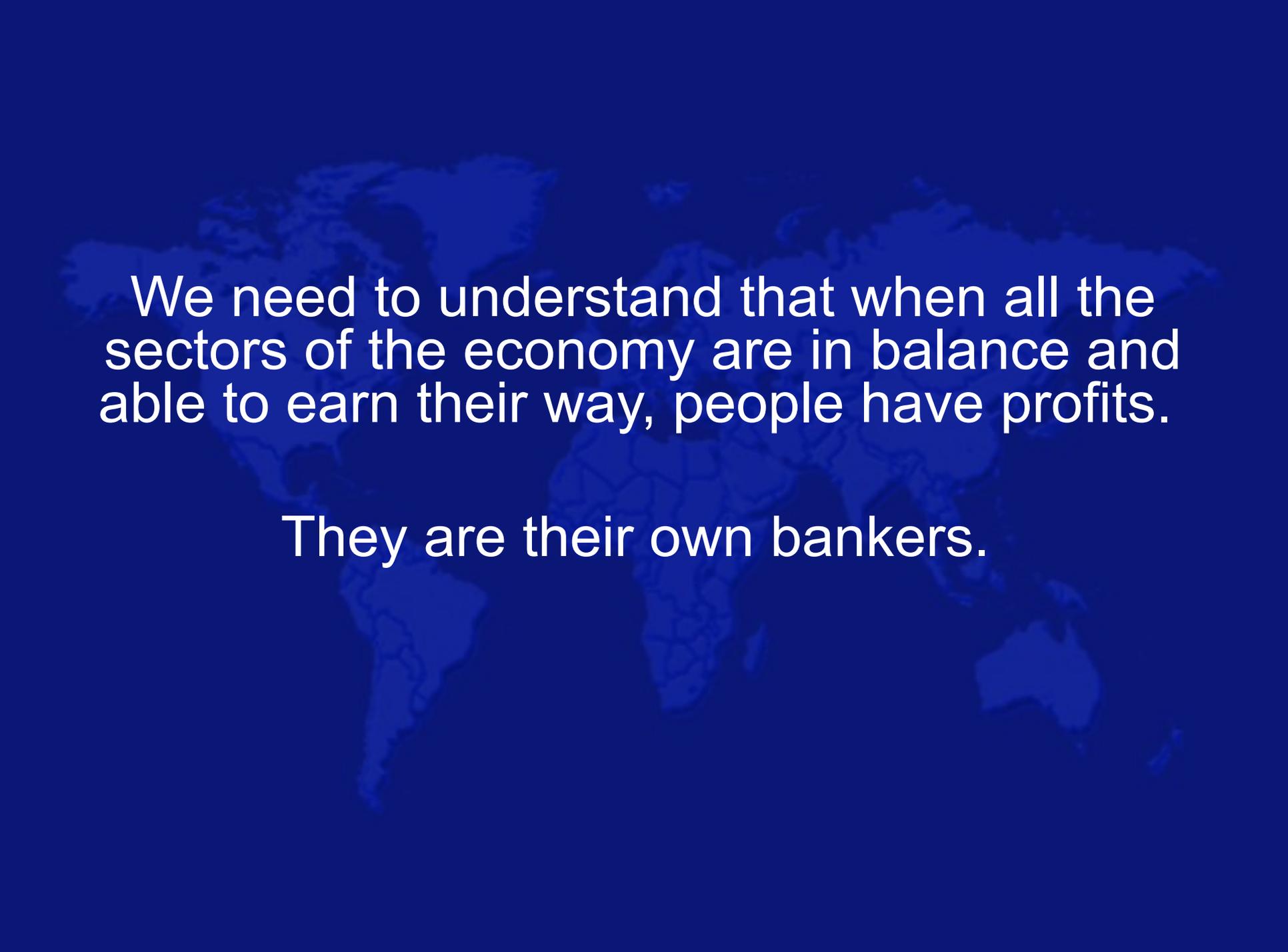


Borrowed money is no substitute for
earned money . . .

but it is inextricably tied to “free” trade!

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





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 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.

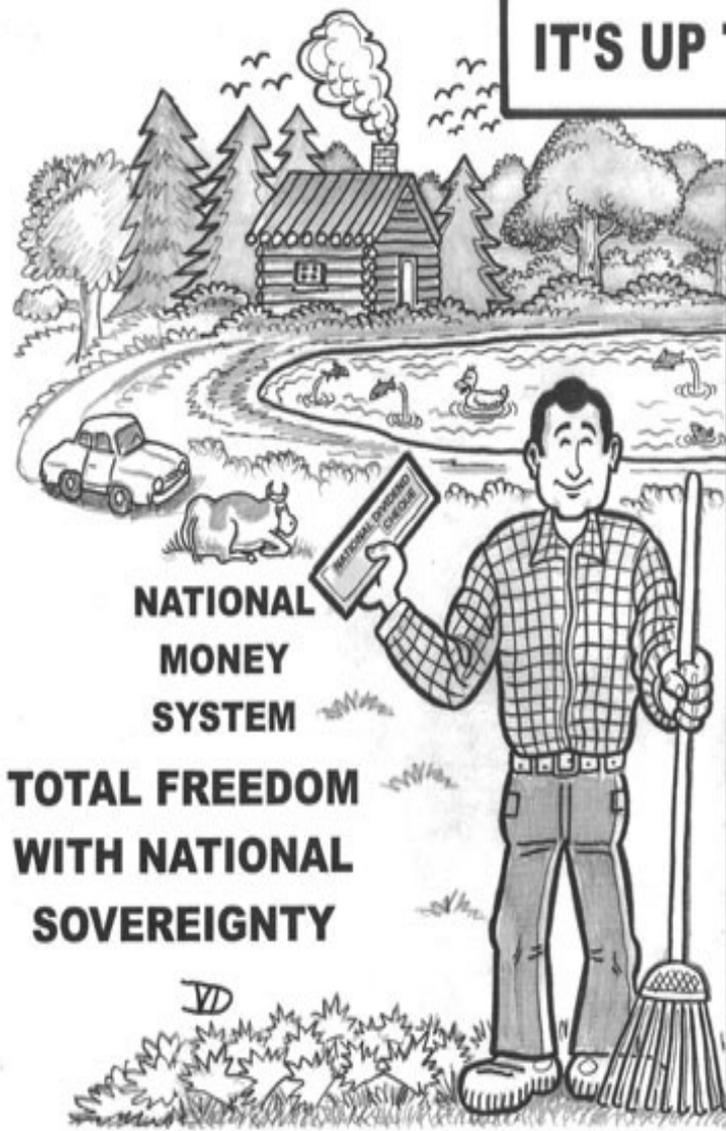
This power automatically gave Congress the right to determine the value of U.S. production in terms of U.S. money – and the right to protect the American price system via tariffs and other means.

In other words, our much neglected, little understood solution is
“debt free sovereign money”

. . . and its basic parameters have been in the U.S. Constitution all along.

As Thomas Jefferson said: “Money is the agent by which modern nations will recover their rights.”

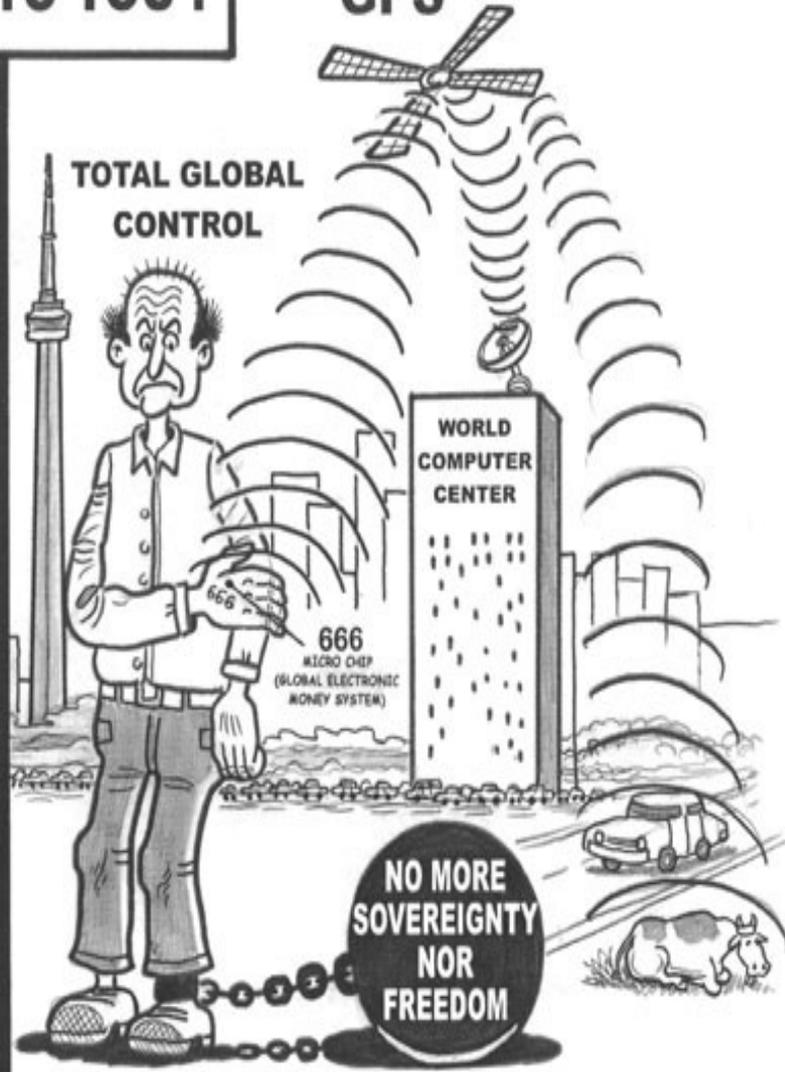
IT'S UP TO YOU !



**NATIONAL
MONEY
SYSTEM**

**TOTAL FREEDOM
WITH NATIONAL
SOVEREIGNTY**

GPS



**TOTAL GLOBAL
CONTROL**

**WORLD
COMPUTER
CENTER**

**666
MICRO CHIP
(GLOBAL ELECTRONIC
MONEY SYSTEM)**

**NO MORE
SOVEREIGNTY
NOR
FREEDOM**