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First draft

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Is the financial transaction tax a part of sustainable knowledge?

Summary: It is not now, but it might be in the future.

As far as I know the EU has asked its member states to inform their stand on financial transaction tax (FTT) which Germany and France have proposed recently. I do not know if this act of the EU concerns also ordinary citizens of the EU. However, because the EU is the union of citizens of its member states and nations, I publish here my first draft of my opinion of this important issue in the light of sustainable knowledge.

In Finland there is a strong campaign against the FTT run by many financial institutions. For instance two major banks (Sampo owned by Danish company and OP-Pohjola) have threatened to move out from Finland if transaction tax is adopted. I agree with those who are against the FTT in its present form and most likely cover or scope.

I think that the logic of free markets as if "demands" that the possible FTT must be implemented either globally or not at all in the euro zone. There is not a rational third alternative in the middle, not at least now, when the theories of the effects of the FTT are so unformed. It is not wise to implement the FTT in euro zone as a first step as if an example for other nations to take the same steps afterwards. Most likely they do not follow, but are eager to take the businesses and the money. The probable losses for people in the euro zone are most likely greater than the benefits of the FTT because of the probable exit of speculative capital from the euro zone to other countries which do not implement the FTT.

This is also a matter of a general principle of knowing.

As a rule one must not participate, if one is not forced to participate, in processes which are not analyzed in a proper way. Unfortunately social legislation is often prepared in this way including the FTT. It is good to pay very much attention to the idea of Thomas Malthus: "To know what can be done, and how to do it, is beyond a doubt, the most valuable species of information. The next to it is, to know what cannot be done, and why we cannot do it." (Redman, D.A. 1997, *The Rise of Political Economy as a Science*, The MIT Press, Cambridge, page 310).

Let me explain why this idea of Malthus is now important. One can never weed out speculative interests and acts of people and institutions. They are as if parts of human nature. However, it is well-known that the possible sustainable success (I assume that people cannot afford anywhere unsustainable success any more) of small and great people, nations and other institutions is based on wisdom, true sustainable knowledge and on an "appropriate ethics". These three elements conduct us to know together more of some meaningful real things instead of other real things. To know "all" meaningful things is of course always impossible for people." Lies and violence can help individuals and institutions forward only temporarily.

The wisdom, dynamics and welfare of people, nations and other institutions is based on subjects' will and ability to see, understand and conduct the social world in the light of true meaningful facts, wise norms and other forms of wise regulation. In social world those elements of welfare are necessary based on the concept of "an appropriate ethics" and sustainable knowledge. The ethics conducts individuals, nations and other institutions to see *together some common things* instead of other things which belong to the domain

of private interests only. The sustainable knowledge helps people to see common and private things, which are not necessary in a contradiction. The objective road-map towards the rational public and common targets – as well as towards private targets - is basically very simple. It is made of three main things of knowledge.

It is good to *discover* with help of observations and reason how certain meaningful “first things” *really are*, how some meaningful “second things” *really were* and how the third category of meaningful “third things” possible or most likely *will be* in the future. The “first things” are most important. They as if come first, because they are universal and cover everything everywhere from the past, over the present to the meaningful social future. “First things” are of course independent of people’s wills, acts and thoughts as well as the “second things” after they have occurred and taken a place, a time (interval) and a set of acts and actors in the history.

The “third things” depend on our wills and only some part of them. Therefore a wise man and a woman do not exaggerate, and definite do not underestimate, the power of his and he wills to change the world into a better place, according to his or her mind and values. Furthermore it is good to pay very much attention to prevention, to those things which should not happen.

For instance, I have fought as a civil servant against some stupid plans to develop Finnish legislation in the care of the elderly. I lost my job. However, I am very proud to notice that I was right in my fight and I intend to continue on that line. It would be a fatal mistake to exaggerate (or underestimate) the power of human wills to change real and meaningful things. For instance, modern people have power to destroy the planet Earth, but they do not have power to take back or “cancel” that unfortunate act.

This is a universal fact: *All human acts are irreversible after they have occurred.* One has to realize the great meaning of that God-made stable principle. According to Thomas Malthus it is wise to “map” the domain of the human will in proportion to the domain of all meaningful social things in order to realize what is good and possible and what is not and for what reasons.

After that “*mapping of real good and real bad possibilities*” it is wise to concentrate on the efforts to change the world according the lines and desires of different individuals and institutions. Often, but not always, these desires are in contradiction. I assume that this quarrel is the will of the Mother Nature. She loves to change things (fashions come and go) albeit there were no rational reasons for the change from the point of view of rational human life - which is often quite boring. One has to admit that.

This is for those who love rational logic: The absolute value (“eigenvalue”) of “change” as a value of itself includes a contradiction from the point of view of logic. This is where Gottfried Leibniz and Friedrich Hegel made a mistake: They did not realize the great meaning of the irrational part of human acts and minds and the Master-Mind (Mother Nature) behind them. Leibniz and Hegel based their philosophies on the assumption of the rational and stable God who loves the language of mathematics. Leibniz and Hegel ignored the fact that there are *two basic elements of world instead of the only one.*

This dualism is the reason why one loves to change things and make new things, including new humans. However, the other ones, e.g. the scientists, love to concentrate to know how some real things really *are*. The dualism is the source of dynamics in social life. The dualism is the power of consensus (sun shines for everyone) and contradictions (shadows are necessary consequences of the sunshine).

The contradiction of wills is one of the basic sources of dynamics in social life. It takes many forms, e.g. the form of competition in markets, politics, sciences and social sciences, in arts, sports, education, outlook, design and in other fields of human life. Uneven distribution of living conditions, health, activities, wealth, knowledge, social relations and other resources between individuals, nations and other institutions form another elements of that dualistic dynamics.

I suppose that often this uneven distribution of wills and resources make the play-field of Mother Nature. People are as if slave-like pawns in this game of Mother Nature. If people are unable to overcome her power, we face an unsustainable development. Mother Nature lures us to act like animals.

In order to avoid overdose of the drugs of Mother Nature it is good to concentrate in the most useful form of competition according to my mine. It is the competition to know and publish how the “first things” really are,

has always been and will always be. In this competition towards true and sustainable knowledge all people will win in the long run although some people might temporarily lose much money and power when they cannot use and hide meaningful knowledge for their own good only. I am convinced that the revealing of the universal "really are"-type of knowledge has been the main source of human civilization and welfare.

It is wise to continue on that line towards sustainable knowledge in order to overcome financial crises in the euro zone and beyond it. The plans of the FTT are not based on the universal sustainable knowledge. This is why one cannot support it now as a good medicine to our financial problems. However, the FTT might be that in the future, but it will take time and hard scientific and ethical efforts. Politics is not enough. Too many people still think and act as if they were ignorant animals which follow only their instincts and feelings. This is the reason why other people have an opportunity to make money at the expense of other people's welfare. It is not right.

Best Regards

A handwritten signature in black ink that reads "Timo Karjalainen". The signature is written in a cursive, flowing style.

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