

POM: What Free Market?

The free market has been a bedrock of economic theory for many years. Free market ideology has shaped politics, law, and economic theory for almost as long. The concept is, therefore, loaded with emotion for many. But a *true* free market and a physical object money (POM) have never been able to coexist. To my knowledge (admittedly limited) there has never been a true free market in any nation in world history.

"Nation" requires a government. But even in those cases in which the "government" is rather primitive such as during the middle ages in Europe, the government of every nation is very interested in money and in the acquisition of money. Money is changing hands at every market. Not only does government want its share (as defined *by* the government) but the government will have "friends" among the traders.

Governments are composed of people who want money. Therefore, traders who offer money to government officials can acquire advantages in the market that their competitors do not enjoy. This includes all levels of governmental activity from the creation of law to the enforcement of law to the court system.

Therefore all governments regulate, to some degree, the markets they can control and attempt to influence those that they cannot control. This regulation means that the market is *not* free at all.

But let's assume that a government of saints is produced by magic. This government enforces laws against theft and fraud and the initiation of force in the market. This government also resists the temptation to regulate transactions in the market in any way. Will that result in a free market? Sadly no.

Just because a government attempts to *enforce* law does not mean that no one *violates* the law. Remember that POM is amoral, so it can be used for bad purposes. POM is uncontrollable so government cannot prevent its misuse. POM simulates a zero-sum game situation so market participants will treat each other as enemies. Since there is money to be acquired by violating the law, some will violate the law. Those who do violate the law will act to remove freedom from the market. They will attempt to prevent other market participants from competing. They will use force and fraud to gain money. The market will not be free.

To illustrate this last point let us consider the activities of organized crime. Since their products are declared illegal, the competition in this illegal market is not regulated by government. *But that does not mean that the market is free*. The different criminal organizations use all sorts of violent

and distasteful methods of keeping other sellers out of the market. There is a "no holds barred" competition and the result is that each market area is a monopoly or a "turf war" is going on.

POM provides too many temptations and too many opportunities to destroy free markets. The free market is simply impossible for a POM economy.

Only a society with a Non-POM money can truly have a free market. In fact, the markets in a Non-POM economy cannot help but be free. Non-POM governments do not regulate economic activities. Non-POM producers of goods and services are cooperating rather than competing. They have nothing to gain and everything to lose if the markets are not free. Consumers in a Non-POM market are not the opponents of the producers, they are the beneficiaries of the producers. Only with a Non-POM money can the great efficiencies and benefits of a free market be realized.