

A business's viability often depends upon its location, so different shops are in competition for the best sites. Who usually has the best sites right in the centre of town?

Different businesses compete for staff, so who can pay the best for their front-line retail staff?

Different businesses compete as creditors when another business goes bankrupt. Who is first in the line for compensation when insolvency occurs?

## THE LAST GREAT SUBSIDISED INDUSTRY

The triumph of the 'free-market' during the 1980s and 90s, saw whole sectors of the British economy removed from state support and required to survive in the rigours of the market place, but one large sector of the British economy is still effectively in receipt of a massive subsidy from the rest of the economy.

Money is a necessary means of exchange that enables businesses and individuals within a complex economy to provide goods and services for each other. Money is not wealth itself, but is merely the means to command that wealth that has been created by others.

To allow one sector of the economy to create money for its own private gain is tantamount to giving that sector the right and capacity to sponge off the efforts of everyone else. It represents a subsidy to that sector which, inimical to a truly free market economy, is causing many problems that are only alleviated by the existence of a large and cumbersome bureaucracy.

## A TRULY FREE MARKET

The present system is legalised counterfeiting. How many people would regard that as legitimate free-enterprise?! A truly free market will only be achieved once the power to create money has been removed from the private banks and invested solely in national or local government for the benefit of the public purse.

## THE MONEY REFORM PARTY

The Money Reform Party exists to educate the British people and their politicians about the money system and to campaign against the creation of the money supply by the private banks.



## Money reform for a truly free market

The shopping area of any moderately sized British town stands as a testament to people's natural enterprise and creative spirit that, coupled with modern technology, has given the 21st century citizen of the 'First World' countries more material goods than any other civilisation in history.

Some might argue that it is all evidence of a free market. Yet how truly free, in any sense, is the economy upon which we all depend for our material well-being?

## FREE MARKET THEORY

The grand free market theory, which was espoused at the start of the Industrial Revolution by Adam Smith, and which saw off the antithetical theories of Marxism/Socialism/Communism at the end of the 20th century, rests on the idea of the labourer being worthy of his hire - of an individual's, or a company's, or a country's income equating the value that they themselves have contributed to the common weal.

This simple concept contains within it all that is required for an economy which is inherently self-governing, with little need for outside interference, and in the modern world, with all our technology and capacity for creating goods and services, the matter of providing those unable to provide for themselves should be so readily within our capacity that it will even be less of an issue than it was in the days of Adam Smith.

Any distortion of this simple maxim, of people either being paid significantly less than that which they have contributed or earning significantly more than that which they have contributed will result in an imbalance within an economy which can only be resolved by cumbersome and inherently bureaucratic procedures.

## COMPARISONS

With all the above in mind, let us now consider two rather extreme examples which will serve to test whether we do indeed have a truly free market.

Consider on the one hand an experienced and highly qualified nurse, who works, let us say, in an intensive care ward where saving lives is a matter of weekly, if not daily routine. At the present time he or she can expect to earn a salary in the range of £20,000 to £30,000 per year. Living in the south east of England, s/he might have difficulty in buying a good property near to his/her place of work.

Then on the other hand someone who spends his days trading in foreign currencies as an employee of one of the major financial institutions. His salary is liable to be ten times that of our nurse, but is his contribution to the economy and to the nation's common weal ten times as great?

In addition to a palatial residence in a desirable suburb a short Porsche drive from his place of work, he is able to take advantage of very low mortgage rates from his employer to purchase a second home in the country, which, of course, is let out at times when he does not wish to use it in order to further enhance his income.

Both of these individuals will be working in highly stressful occupations which might cause them to move out into other areas of activity, but in finding their replacements how many banks are reduced to recruiting staff for their trading departments from 'Third World' countries? A policy that is forced on the NHS because the amount of money in the public purse available to fully reward the country's medical staff is insufficient.

## A WALK DOWN THE HIGH ST

Another way of considering how truly free is our market economy is walk down your local High Street and consider how each business operates.

Many retailers work by buying goods in bulk and selling them individually. This is essentially the service that they offer. They spend a large sum on buying goods, they had a very small amount of value (i.e. making items available individually) and they hope to sell sufficient to cover their over-heads and make a profit.

Other shops and businesses sell services, such a hair-stylists and painters and decorators. They actually buy very little, but they add a great deal of time and effort, and it is that time an effort that we pay for when we buy a product or service through them.

Yet in each case the amount that a business can earn is limited. Retailers by the amount that they can afford to buy and store and display at any one time, service providers by the amount of time it takes them to undertake their work.

Banks are different. In a sense they act like money-retailers, buying in money by paying their depositors a sum of interest, and then selling the use of that money at a higher rate to their borrowers, but there their similarity ends.

Imagine any other retailer who could sell ten times the amount of stock that they bought from the wholesaler, whose storage and transport costs were virtually nil, whose stock could never run out, or be shop-soiled, or go out of date, or malfunction. It would be difficult for such a business not to make massive profits.

## COMPETITION

Different shops and businesses in our high streets are not usually seen to be in direct competition, but they still are in competition for some things.