



the Freeman

A MONTHLY JOURNAL OF IDEAS ON LIBERTY

FOUNDATION FOR ECONOMIC EDUCATION

Irvington-on-Hudson, N.Y. 10533

Tel: (914) 591-7230

President: Robert D. Love

Managing Editor: Paul L. Poirot

Production Editors: Beth A. Hoffman

Amy S. VanLaar

Contributing Editors: Robert G. Anderson

Howard Baetjer Jr.

Bettina Bien Greaves

Charles H. Hamilton

Edmund A. Opitz (Book Reviews)

Brian Summers

THE FREEMAN is published monthly by the Foundation for Economic Education, Inc., a nonpolitical, nonprofit, educational champion of private property, the free market, the profit and loss system, and limited government.

The costs of Foundation projects and services are met through donations. Total expenses average \$18.00 a year per person on the mailing list. Donations are invited in any amount. THE FREEMAN is available to any interested person in the United States for the asking. For foreign delivery, a donation is required sufficient to cover direct mailing cost of \$10.00 a year.

Copyright, 1985. The Foundation for Economic Education, Inc. Printed in U.S.A. Additional copies, postpaid: single copy \$1.00; 10 or more, 50 cents each.

THE FREEMAN is available on microfilm from University Microfilms International, 300 North Zeeb Road, Ann Arbor, Mich. 48106.

Reprints are available of "A Page on Freedom," small quantities, no charge; 100 or more, 5 cents each.

Permission is granted to reprint any article in this issue, with appropriate credit, except "American Economic Progress."

A Page on Freedom

Number 22

Is It Fair?

MANY think we can decide fairness by looking at how things are. We can't. Fairness depends on how they got that way.

Advocates of a faulty doctrine called "comparable worth" say it is unfair that women in certain jobs are paid less than men in other jobs these advocates deem equally valuable. Some American auto makers say it is unfair that the Japanese can sell their cars for less than American counterparts. Advocates of income redistribution say it is unfair for wealthy people to accumulate more wealth than others.

But these inequalities are not necessarily unfair. They *might* be, of course. Suppose the women are paid less because the men have a union which forces employers (through violent strikes) to pay them above-market wages. That would be unfair. Or suppose the Japanese can sell their cars for less because the U.S. government imposes quotas on the number of American cars sold. That would be unfair. Suppose wealthy people receive more income than others because the government gives them other people's money. That, too, would be unfair. Each of these situations would be unfair—not because of their inequality, but because *they occur through force*.

On the other hand, if the wages are freely negotiated and agreed upon, if Japanese cars sell cheaper because Japanese auto workers produce more for less pay, if the rich make their money by providing a desired product at an affordable price, all is fair no matter how unequal. We might not choose those outcomes, but they are fair.

Process determines fairness—fair process, fair outcome. If a process involves force and legal privilege, its outcome is unfair, though equality itself. But as long as a process is free and peaceful, its outcome is fair.

This is why the market process—free, peaceful exchange—embodies economic justice.

—Howard Baetjer Jr.

THE FOUNDATION FOR ECONOMIC EDUCATION, INC.
IRVINGTON-ON-HUDSON, NEW YORK 10533