

“Free... or Fair – Which Way America?”

by Milton Friedman

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The activities of the Americanism Educational League are a marvelous example of the operation of private enterprise, because the notion of a free market extends much beyond the buying and selling of goods and service. It extends to all the activities in which individuals engage, on a voluntary basis, without any coercion or force, to achieve objectives that they jointly share. And the Americanism Educational League illustrates how the virtues of free, private enterprise can be effective in areas that are ordinarily not considered part of the market system.

### Concept of Freedom

Now let me turn to what I am really going to talk about, which is the subject matter of the essays submitted in A.E.L.’s National Essay Contest for college students. The essay subject was “Free Trade vs. Fair Trade.” I want to talk about the more general issue of *free* vs. *fair*.

From one of the three winning essays I take the theme. In his entry, Bruce Picker said, “In the Bill of Rights, the idea of fairness is never mentioned, only the concept of freedom.” What he says is true, not only of the Bill of Rights but of the text of the Constitution of the United States and the Declaration of Independence. The First Amendment does not say that Congress will make no laws that restrict *fair* speech; it says that Congress shall make no laws affecting *free* speech. The First Amendment does not talk about the *fair* exercise of religion; it talks about the *free* exercise of religion.

You can go through the whole of the Constitution, the whole of the Declaration of Independence, every Amendment of the Constitution, and you will not find the word *fair*. But you will find the word *free* repeatedly. Yet recently, in discussion of the role of government, the emphasis has shifted away from *freedom* and toward *fairness*.

### "Level Playing Field"

We have, as you all know, a so-called fairness doctrine in respect to TV and radio, that if the broadcast stations present one candidate in a campaign or one side of an issue, they have to present the others. They have to demonstrate that they are fair. We have Fair Trade Laws that supposedly enable producers to set the price at which retailers may sell their products. Businessmen repeatedly say that they’re all in favor of free trade, providing it’s also fair, and provided that it’s also “on a level playing field,” as they put it—that is, provided other countries don’t restrict or subsidize trade with us.

We also have a so-called Fair Employment Practices Act, which again does not refer to *free* employment, but to *fair* employment.

This shift reflects a major change in the role of government in the United States, which itself reflects a major shift in public attitudes about the role they want government to play.

### **Paternalistic Idea**

Fundamentally, fairness is a paternalistic idea. Somebody has to decide what's fair. And fairness has come to the fore in terms of governmental activities precisely as government has changed its role from being an umpire who makes the broad rules by which we live, to becoming Big Brother, to presiding over a paternalistic society in which we—all of us—shift to government responsibilities that we earlier bore as families or individuals.

That is why we have had such a big shift away from emphasis on freedom to emphasis on fairness. As government has become Big Brother, it has concentrated increasingly on achieving fairness in order to promote the goals of "justice" and "equality".

Isn't this progress? Doesn't it involve a move to a more humane society? Isn't it a good idea that we should live in a world in which government is concerned with fairness? In my opinion, quite the contrary. When fairness replaces freedom, all of our liberties are in danger!

Fairness is in the eye of the beholder. There are no objective standards of fairness, no objective criteria that can be used to determine what's fair. Someone must judge, and judge without firm guidelines, whether TV programs comply with the fairness doctrine.

### **Federal Press Agency**

Let's suppose that we applied that same standard to the press. Should we not have a fair press? But if we're going to have a fair press, we can't let the people who write the newspapers, or publish them, decide what's going to be printed. If you are going to have a fair press, there must be a federal press agency to decide what stories are fair and what are not, just as there is a Federal Communications Commission for radio and TV.

The press in the Soviet Union operates under the principle of fairness, not freedom. Applying to the press the same idea that we profess to apply to TV would destroy any semblance of a truly free press, of a press that is a defender of public liberty.

The same is true in every other area of society. What does a "fair price" mean? From the point of view of a producer, a fair price is a high price. From the point of view of a consumer, a fair price is a low price. What determines which is the fair price? The only way this could be done is not through the market-place, but through assigning to someone the task of deciding what is fair and what is not. The logic of a "fair price" calls for government control of prices, including of course wages. The "so-called" Fair Trade Laws are fundamentally designed to set consumer against producer.

### **Benefit the Consumer?**

Under these laws, the producer decides what's fair. To him, that's high. But to me a consumer, the more "unfair" the price the better. The "unfair" price is the low price.

In the same way, what's fair competition? Does it mean that if somebody can produce something more cheaply than somebody else he shouldn't be permitted to do it? Does fair competition mean that if the Japanese can produce better or cheaper automobiles than the Americans, we shouldn't

let them sell their cars in this country? That is what fair competition means. Again, will that benefit the consumers? No! We do not want “*fair*” trade—we want *free* trade, because that is the only way in which we can avoid having to give somebody the power to judge for others what is fair and what is not.

### **What's Fair for Me?**

Exactly the same is true of the so-called Fair Employment Practices Act. That has been having a revival in the form of the slogans, “equal pay for equal work,” or “equal pay for comparable work”—both being defended on the grounds of fairness. But if how much a person is paid is decided by fairness and not by what an employer is willing to pay, somebody has to decide what’s fair. Judges are the ones who will end up deciding that. I have no objection to those judges deciding what’s fair for *their* children, but I don’t want them deciding what’s fair for me.

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