

SIR, — Fred Harrison in your May/June issue says that since the moral dimension is absent from the market mechanism, freely negotiated wage bargains cannot rightly be described as "fair" — they are "something else" i.e. what is acceptable to the wage earner. But bargains, if freely negotiated, are two-sided not one-sided, they must be acceptable by both sides.

Mr. Harrison positions "fairness" on one side and unfairness on the other. But this is incomplete until one has answered the question "unfair to whom?" Oddly enough, it is fairness that is neutral. Interference or coercion in the market place, to make any sense at all, must favour one side or the other and it is the presence of coercion that creates unfairness (interfering with a mutually agreeable bargain). Therefore, if coercion creates unfairness then its absence leaves fairness or neutrality.

Mr. Harrison mentions nurses, but what of some plumbers and plasterers who are said to be over-paid? It is utterly impossible to evaluate a wage for a job other than in the market place. Indeed the very market is a computer into which is fed the judgements and evaluations of *all* the community. Where Mr. Harrison is led off the track is by his perhaps unconscious assumption that a free market in wages and salaries exists, whereas a lot of the bargaining today is not free but coercive and monopolistic.

If a man is robbed on his way to market and robbed again on his way home, has to pay "protection money" or a fee or tax before he can commence bargaining, then clearly, the market *as a market* is not to blame and it does not make bargains unfair to him or to others. The element of unfairness in reward for his labour depends upon the extent to which he can succeed in retaining the full fruits of his labour in free and open competi-

tion with others, and monkeying around with the market won't help us solve this one.

Yours faithfully,

PAUL KNIGHT

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ANSWER TO UNEMPLOYMENT

SIR, — In his article "Free Enterprise: A Lost World?" in your May-June issue, B.W.B. reviews Anthony Fisher's book *Must History Repeat Itself?* and says that while Mr. Fisher's case for free enterprise and free trade is a compelling one, the reason why this country has reverted to control, restriction and inflation, which can only lead to more control, restriction and inflation, is the fear of unemployment, a word which Mr. Fisher hardly mentions and offers nothing except an exhortation to return to the past.

B.W.B. concludes that without more fundamental thought about poverty and unemployment and the causes of industrial depression for which a real cure can be offered, Mr. Fisher cannot have any real hope that his goal of complete economic freedom with the minimum of government interference in trade and industry will be achieved.

But the real and only cure for massive unemployment and industrial depression is a free economy, free trade (with the right to buy from the cheapest world market the 50 per cent of the food which we have to import) and a sound currency. Such a policy is fundamental to the life of the British people. The Anti Dear Food Campaign is making a most important effort to counter the government's dear food policy.

There is no justification for the assumption that never again will there be abundance in some or other part of the world.

I would recommend to B.W.B. and all who share his misgivings about our reverting to this policy to read a booklet, *Save the Pound — Save the People* by S. W. Alexander, which forms the first chapter of a book. In page sixteen of this booklet Mr. Alexander says:-

"For many years the policies of successive governments have been to eliminate or reduce unemployment. That policy has been adopted in preference to one which would maintain the value of the people's earnings and savings. It is completely unsound and dishonest. It leads on to a situation where there may be massive unemployment not because of a shortage of paper money but because a fall in the value of the pound will make it impossible to buy at reasonable prices in comparison with what our competitors have to pay, the raw materials for our factories. There could arrive circumstances in which some might have to limit operations or even to close down. A policy must be pursued which will permit not the dissipation of capital that is now going on through protectionism and the Welfare State, but a new accumulation of capital.

With free enterprise capitalism and a sound currency there need never be long term massive unemployment. Indeed, it can be confidently stated that under a truly free economy there cannot be mass unemployment."

Yours faithfully,

C. C. LOMAX

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B.W.B. writes

Major Lomax is right to place importance on the policy of free trade. Without it we can never know the full benefits of the division of labour applied on a worldwide scale with all production concentrated where it can be most efficient.

But to credit free trade with the