

REMEMBERING MILTON FRIEDMAN

Anna J. Schwartz

A small man with a giant intellect, of humble origins but lofty achievements.

A foe of the Leviathan state.

A champion of the competitive market system.

An ardent defender of freedom for individuals to live their lives as they choose.

An iconoclast who overturned received wisdom on a host of issues for which he had superior solutions:

a volunteer army, not a draft;

a flat tax, not a needlessly complicated tax code;

floating exchange rates, not pegged rates.

A persuasive debater who convinced opponents among professional economists and policymakers that the Great Depression of the 1930s was not a failure of the market system that required government to plan the economy but a failure of the Federal Reserve to prevent a drastic contraction of the money supply; and that inflation in the 1960s and 1970s was due not to the exercise of monopoly power by corporations and unions that only price and wage controls could reduce, but a monetary phenomenon produced by excessive growth of spending that expansionary monetary policy created; the remedy to limit spending growth involved a temporary decline in economic growth and employment, a cost smaller than the cost of permitting inflation to continue.

A college professor who taught not only students in his classroom but multitudes in far-off places who read in translation to many tongues *Capitalism and Freedom* and *Free to Choose*, and watched his TV series.

A man whose concern for low-income disadvantaged individuals and families led him to propose replacing the welfare system with a negative income tax, widening occupational choice by eliminating licensing laws, and giving school vouchers to parents to use as an alternative to failing public schools.

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Milton Friedman

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