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Missing Milton: Who Will Speak For Free Markets?

By [STEPHEN MOORE](#)

With each passing week that the assault against global capitalism continues in Washington, I become more nostalgic for one missing voice: Milton Friedman's. No one could slice and dice the sophistry of government market interventions better than Milton, who died at the age of 94 in 2006. Imagine what the great economist would have to say about the U.S. Treasury owning and operating several car brands or managing the health-care industry. "Why not?" I can almost hear him ask cheerfully. "After all, they've done such a wonderful job delivering the mail."

I would rank Milton Friedman, next to Ronald Reagan, as the greatest apostle for freedom and free markets in the second half of the 20th century. I used to find great joy in visiting him and his wife and co-author, Rose, at their home in San Francisco. We'd have dinner at their favorite Chinese restaurant and chat about the latest silliness out of Washington.

I've been thinking a lot lately of one of my last conversations with Milton, who warned that "even though socialism is a discredited economic model and capitalism is raising living standards to new heights, the left intellectuals continue to push for bigger government everywhere I look." He predicted that people would be seduced by collectivist ideas again.

He was right. In the midst of this global depression, rotten ideas like trillion-dollar stimulus plans, nationalization of banks and confiscatory taxes on America's wealth producers are all the rage. Meanwhile, it is Milton Friedman and his principles of free trade, low tax rates and deregulation that are standing trial as the murderers of global prosperity.

When the University of Chicago wanted to create a \$200 million Milton Friedman Institute last year, Sen. Bernie Sanders of Vermont, an avowed socialist and Chicago alum, fumed that "Friedman's ideology caused enormous damage to the American middle class and to working families here and around the world."

At academic conferences it has been open season on Friedman and his philosophy of limited government. Joseph Stiglitz, a Nobel Prize winner, says that Friedman's "Chicago School bears the blame for providing a seeming intellectual foundation" for the now presumably discredited "idea that markets are self-adjusting and the best role for government is to do nothing."

University of Texas economist James Galbraith is even more dismissive: "The inability of Friedman's successors to say anything useful about what's happening in financial markets today means their influence is finished," he says. And pop author Naomi Klein says triumphantly:

"What we are seeing with the crash on Wall Street . . . should be for Friedmanism what the fall of the Berlin Wall was for authoritarian communism: an indictment of ideology." One left-wing group is even distributing posters in Washington and other cities that proclaim: "Milton Friedman: Proud Father of Global Misery."

The myth that the stock-market collapse was due to a failure of Friedman's principles could hardly be more easily refuted. No one was more critical of the Bush spending and debt binge than Friedman. The massive run up in money and easy credit that facilitated the housing and credit bubbles was precisely the foolishness that Friedman spent a lifetime warning against.

A few scholars are now properly celebrating the Friedman legacy. Andrei Shleifer, a Harvard economics professor, has just published a tribute to Friedman in the *Journal of Economic Literature*. He describes the period 1980-2005 as "The Age of Milton Friedman," an era that "witnessed remarkable progress of mankind. As the world embraced free market policies, living standards rose sharply while life expectancy, educational attainment, and democracy improved and absolute poverty declined."

So the Bernie Sanders crowd has things exactly backward: Milton's ideas on capitalism and freedom did more to liberate humankind from poverty than the New Deal, Great Society and Obama economic stimulus plans stacked on top of each other.

At one of our dinners, Milton recalled traveling to an Asian country in the 1960s and visiting a worksite where a new canal was being built. He was shocked to see that, instead of modern tractors and earth movers, the workers had shovels. He asked why there were so few machines. The government bureaucrat explained: "You don't understand. This is a jobs program." To which Milton replied: "Oh, I thought you were trying to build a canal. If it's jobs you want, then you should give these workers spoons, not shovels."

But in the energy industry today we are trading in shovels for spoons. The Obama administration wants to power our society by spending three or four times more money to generate electricity using solar and wind power than it would cost to use coal or natural gas. The president says that this initiative will create "green jobs."

Milton knew how to create real wealth-producing jobs. Once, when he visited India in the early 1960s, John Kenneth Galbraith, the U.S. ambassador, welcomed him by only half-joking, "I can think of no place where your free-market ideas can do less harm than in India." Talk about irony. India has adopted much of the Friedman free-market model and has moved nearly 200 million people out of destitution and despair.

I recently phoned Rose Friedman and asked her what she thought about the attacks on her husband. She was mostly dismayed at how far off-course our country has veered under President Obama. "Is this the death of Milton's ideas?" I hesitantly asked. "Oh no," she replied, "But it is the death of common sense."

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