



Milton Friedman

America's best known libertarian economist

American, born 1912

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Winner of the Nobel Prize for Economics in 1976, Milton Friedman first aspired to become an insurance actuary. Despite his early love of mathematics, he failed several exams, however.

With the onset of the Great Depression, he turned his attention to economics and found his vocation. At the University of Chicago he steeped himself in the ideas of the classical laissez-faire economists. Work for the government followed and a Ph.D. from Columbia. In 1946 he returned to Chicago to teach, and there, over the next thirty years, he helped initiate a counter-revolution in economic thinking.

The prevailing economic wisdom of the day – Keynesianism -- emphasized substantial central government planning and intervention in the marketplace. Friedman's early research convinced him that this approach was misguided. In 1947 he associated himself with conservative Austrian economist Friederich Hayek, who was an outspoken opponent of all socialist policies. Friedman played a key role in the formation of Hayek's influential Mont Pèlerin Society.

To Friedman the quantity of money is the most important determinant in business cycles and inflation, and, accordingly, government should focus its attention on monetary policy rather than fiscal intervention in the marketplace. An outspoken advocate of both personal liberty and free markets, he has consistently argued for de-regulation and a reduced role for government overall.

Largely disregarded by America's mainstream power elite during the fifties and sixties, Friedman's star rose when some of the negative effects he had long predicted for Keynesian policies came true in the widespread economic "stagflation" of the 1970's.

Having advised conservative Arizona Senator Barry Goldwater in his unsuccessful 1964 presidential bid, he now found himself economic advisor to Presidents Nixon and Reagan, and to British Prime Minister Margaret Thatcher. In 1976, he moved from the University of Chicago to the Hoover Institute at Stanford in California.

Through books and a public television series in the 1980's, *Free To Choose*, Friedman has become widely known in America, but remains controversial. He was heavily criticized by liberals for his willingness to advise right-wing Chilean Dictator Augusto Pinochet after Pinochet overthrew the democratically elected government of Salvador Allende. Unfazed, Friedman has argued that if he could help re-establish a free market in Chile, political freedom would eventually triumph there as well.

Milton Friedman Links:

www.ideachannel.com/friedman.htm

A compendium of links related to Friedman's work and ideas. The site includes biographical information, a chronological listing of articles, and interviews on a variety of topics from the global economy to drug policy, plus a listing of his books, and audio and video tapes. Some links are broken.

<http://www.nobel.se/economics/laureates/1976/friedman-autobio.html>

A lively and informative short autobiography written by Friedman for the Nobel Foundation site.