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Russ Roberts

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An Interview with Milton Friedman

*Russ Roberts**

INTRODUCTION

Almost a half century ago, Milton Friedman wrote an article on the social responsibility of business for the *New York Times Sunday Magazine*.¹ In the article, he restated what he had said in his book, *Capitalism and Freedom*,² arguing that the social responsibility of business is to earn profits, as long as those profits are earned honestly, without deception or fraud. By publishing his arguments in the *New York Times*, Friedman reached a much wider audience. As a result, he became identified and is identified still as the leading opponent to the idea of the social responsibility of corporations.

Friedman argued that the social responsibility movement misunderstands the role of profit and misunderstands the importance of incentives. If you encourage the CEO to seek goals other than profit, the CEO will essentially be spending other people's money—the money of stockholders and consumers—on an ill-defined goal that those stockholders and consumers could never agree on. One of Friedman's deepest and simplest insights is the idea that you spend your own money more carefully than you spend other people's money. If managers and CEOs are encouraged to spend potential or actual profit on higher wages or lower product prices, there is no reason to think they will do it wisely or carefully. Such a system would allow CEOs to be less responsible—they would have the leeway to pursue their own goals with less accountability.

Friedman feared that once CEOs and managers were seen as guardians of the public good, they would be seen as public figures and there would be pressure to choose them based on their ability to achieve various social goals rather than their ability to make a profit. He saw the social responsibility movement as a

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¹ Milton Friedman, *The Social Responsibility of Business Is to Increase Its Profits*, N.Y. TIMES MAG., Sept. 13, 1970, at 32.

² MILTON FRIEDMAN, CAPITALISM AND FREEDOM (1962).

form of socialism—a way to expropriate private property for ends that would be directed from the top down rather than the bottom up, using the means of the political process rather than the marketplace. He also understood that profit is an important social goal—a way that we human beings transform the world. Profits are a sign that a business is covering its costs. That means providing a product or service that is valued above what it takes to produce it. Achieving that honestly through voluntary exchange is a very good thing.

Ultimately, Friedman's critique of social responsibility came down to the appropriate role for profit in a capitalist system. Many activists see profit as a pie to be carved up and handed out once a business has succeeded. But Friedman and others see profit as an organic part of the market process alongside the potential for losses. The future profitability of an organization can never be known in advance. Requiring firms to pay "responsible" wages that differ from market wages, for example, can jeopardize the existence of the firm in the competitive landscape of a modern economy.

It is important to add that Friedman had no problem with people spending their own money to help the poor or other causes they thought important. A successful firm specializes in making products and providing services for its customers at prices that are able to cover the firm's costs. It has no special expertise in helping the disadvantaged or fighting for other causes. But once workers, investors, and managers take their share of the firm's profits, Friedman thought it fine, indeed laudable, if they chose to give their money voluntarily to people and organizations that were successfully specializing in helping others.

Since Friedman's 1970 article, there has been steady pressure for firms to set wages, prices, and production decisions that take into account something other than the potential for profit. Despite this pressure, most firms have the freedom to pursue profit as their managers see fit. Minimum wage laws are relatively modest. Firms are free to outsource their production overseas if they choose. Price ceilings are relatively rare. Ironically, perhaps, the biggest intervention in the economy since 1970 related to profits has not been the intervention of the state to redirect how corporate investments are made or how corporations treat their workers or their customers. The biggest intervention has been to reduce losses, particularly in the financial sector and particularly for large lenders financing the investments of other financial firms using borrowed money.

The rescue of creditors in the decades before the financial crisis of 2008 and during that crisis was always rationalized by

policy makers as necessary for social reasons—the necessity of intervening in the marketplace to prevent financial chaos in a system where large firms are so interconnected. Firms that lend money for high-risk investments have been shielded from the effects of their poor decisions. The result is a system with a great deal less responsibility. In the name of running the financial system for the good of the people, cronies have been encouraged to feed at the public trough.

I think Milton Friedman would have been appalled at this perversion of incentives resulting from intervening in the incentives of the market place in the name of a higher good. He was always eager to point out that capitalism is not anchored by profits. It is anchored by profits and losses. Profits are the carrot that signal success and encourage innovations. Losses are the stick that punish poor performance and signal failure. Having one without the other is not capitalism, but crony capitalism.

I interviewed Milton Friedman at his home in downtown San Francisco in August of 2006, a few months before his death that November. It was a bittersweet experience. It was a thrill and an honor to interview him—I had started EconTalk³ that spring and to have Milton Friedman as a guest was a wonderful coup. At the same time, I realized he was getting old and I might not see him again. When we parted at the door, I thanked him, not just for the interview but for everything, thinking of his kindness to me over the years, but more than that, for his writing that had taught me so much. The interview covers a wide range of topics, including the social responsibility of business and his article on the topic decades earlier. I am pleased that portions of this interview will appear in print for the first time here in the *Chapman Law Review*. I hope you enjoy Milton Friedman's insights.

INTERVIEW TRANSCRIPT⁴

Russ Roberts: Welcome to EconTalk, part of the Library of Economics and Liberty. I'm your host, Russ Roberts, of George Mason University. My guest today is Milton Friedman. Milton is a senior research fellow at Stanford University's Hoover

³ ECONTALK, <http://www.econtalk.org> (last visited Jan. 4, 2013).

⁴ Interview with Milton Friedman, Senior Research Fellow, Hoover Inst., Stanford Univ., in S.F., Cal. (July 28, 2006). This transcript has been excerpted. For the full transcript, visit <http://www.econlib.org/library/Columns/y2006/Friedmantranscript.html>. This transcript is being reprinted with permission from Professor Russell Roberts and Liberty Fund, Inc. (<http://www.libertyfund.org>). The transcript was originally published September 4, 2006, on <http://www.econlib.org>. Liberty Fund is a private educational foundation dedicated to increased knowledge of a society of free and responsible individuals.

Institution, the 1976 Nobel Laureate in Economics and a hero to millions in the United States and around the world for his insights and actions on behalf of economics and liberty.

. . .

Russ Roberts: Milton, let's turn to *Capitalism and Freedom*. In the book, you lay out the principles of what you call liberalism. Sometimes you call it liberalism, sometimes 19th Century liberalism. Sometimes you've called it classical liberalism. And you advocate there a limited role for government in the legal and monetary system and maximal freedom and responsibility for the individual. And in that book, which was published in 1962, but based on lectures, I think, that you gave in the late 1950s—

Milton Friedman: 1956.

Russ Roberts: So the ideas in that book are 50 years old this year. And in 1956 and thereafter in the book in 1962, you argued for a volunteer army, flexible exchange rates, a monetary rule for stable prices, educational vouchers, privatizing Social Security and a negative income tax. At the time, those ideas were not conservative at all—

Milton Friedman: They were very radical.

Russ Roberts: Some people might call them conservative but you called them liberal because they were about freedom. They were considered either conservative or whacky. What was the reaction to the book when it came out?

Milton Friedman: I don't know. I really don't know how to answer that question because when it came out, it did not receive a great deal of attention to begin with. It was reviewed in no major newspaper. *The New York Times* didn't review it. The only reviews were in professional magazines. It was reviewed in the *American Economic Review*, in the *Economic Journal* and other major professional journals but it got very little public attention.

Russ Roberts: And I'm surprised it was actually reviewed there. A book like that today would be much less likely to be reviewed in the *American Economic Review* or *Economic Journal*. It was a polemic of sorts. That's a little strong.

Milton Friedman: It *was* a polemic.

Russ Roberts: It was a treatise. It was a manifesto.

Milton Friedman: But by that time, I had acquired a considerable reputation as an economist in professional economics. There was a good deal in this book, however, which was of professional economics importance. What you've

mentioned—floating exchange rates—and the monetary stuff. It was polemic but it wasn't *primarily* polemic.

Russ Roberts: And it's not written in a polemical style.

Milton Friedman: No, it tried to be a rational argument and it tried to consider the evidence for the points that are made. But you're stressing how much has since been achieved from it.

Russ Roberts: Correct.

Milton Friedman: But I've always stressed the opposite. If you look at the list in Chapter 1 or 2—I have a long list of things government ought not to be doing.

Russ Roberts: And it's not exhaustive. You say at the end of it this is just the beginnings of a list.

Milton Friedman: The only one of those that has really been achieved is a volunteer army.

Russ Roberts: Right. We've made *some* inroads potentially on agricultural price supports which is, I think, the first thing you list on that page. There was actually somewhat serious talk about changing them. But you're right. You could argue the glass is half empty. But as, again, someone who came of intellectual age in the 1970s and who was sympathetic to the ideas in the book, to put it mildly, advocating those ideas at the time, any of the ones we've talked about on the positive side that actually happened or are close to happening, was a recipe for being treated as a buffoon or a fool or a heartless person. I think it's an extraordinary intellectual and policy experiment over the last 50 years that so many of those things have come to pass.

Milton Friedman: And what's happened is that the public attitude has changed tremendously. In 1945, 1950, at the end of the war, intellectual opinion was almost wholly collectivist. Everybody was a socialist. They may not have used the term but that's what they were. However, practice was not socialist. Practice was free enterprise.

The role of government at that time was such smaller than it has since become and from 1945 on to 1980, what you had was galloping socialism. Government took over more and more control. Government spending went from about 20 percent of national income—government federal, state and local—to about 40 percent of national income until Reagan came along.

But Reagan was able to do what he did because in that 20-year period, intellectual opinion had changed. What had before been a hypothesis was now fact. You now could *see* what the government did and people didn't particularly like what the government did. So public attitudes about government had

changed very much over that period and I think maybe *Capitalism and Freedom* added a little of that but I think experience was much more responsible.

Russ Roberts: At the time, the other side of the intellectual argument, the socialist or communist side, was doing quite poorly. But we were not aware of it. The Soviet Union was doing much, much worse than it appeared to be doing.

Milton Friedman: Sure.

Russ Roberts: And so if we had had the facts about the Soviet Union, the experiential case for capitalism and markets might have been even stronger. But it really is rather remarkable that given the intellectual apologists for the Soviet Union of the day, how much the tide changed in public opinion despite the lack of direct evidence that we had.

Milton Friedman: We had very little direct evidence outside the United States and I think it was the evidence of the government in the United States that was playing a role. But I really have never done any serious work on trying to trace the course of general public opinion except as it worked for the politics of it. Reagan could never have gotten elected if there had not been a big change in public opinion. He could not have been elected in 1950.

Russ Roberts: And Goldwater was not electable in 1964 who in many ways was the most free market candidate of the 20th Century. Yet George W. Bush, who is not much of a classical liberal, did at least talk about what he described as privatizing Social Security, a topic that Reagan might think was a good idea but I don't think ever talked about it publicly, advocated it, never made it a campaign issue. I think probably afraid of it, perhaps correctly so.

I remember in my youth, again going back to the '70s, talking about eliminating Social Security was an invitation to be described as a person who wanted to see old people die in the streets "as they did before the 1930s" as if somehow Social Security had prevented this from happening, which is bizarre given the level of Social Security in the '30s.

Milton Friedman: Of course.

Russ Roberts: —and all the private mechanisms we have for taking care of ourselves. And so, obviously, *Capitalism and Freedom* played a role. You mentioned earlier *The Road to Serfdom* by Hayek in affecting public opinion. There was definitely an intellectual foundation laid for these public opinion changes that gave people something to hold onto.

Milton Friedman: Well, we know that, for example—we happen to know—that Reagan read *Capitalism and Freedom* before I ever met him and, clearly, that's a way in which a book has influence.

Russ Roberts: But it also has influence through affecting the electorate who—

Milton Friedman: Oh, sure.

Russ Roberts: And *Free to Choose*, a book we haven't mentioned yet, which was a documentary on public television at first and then I think the book followed the documentary or was it the other way around?

Milton Friedman: The book was based on the documentary but appeared in print before the documentary. What happened was we finished all the work on the documentary in the spring of '79 and we spent the summer of '79 using the transcripts of the program as a basis for *Free to Choose* book and Harcourt Brace did a remarkable job of publishing the book. We went to the printers in September and it was in the bookstores in December. Jovanovich—at the time, it was Harcourt Brace Jovanovich—Bill Jovanovich was very much of a fellow thinker and he contributed to our program.

Russ Roberts: In what way?

Milton Friedman: Oh, to begin with, the first step in creating the program was that I gave a series of lectures all over the country on the subjects that were going to be in the program to provide material for the producer and directors to weave into film. And he gave us a contract for publishing the transcripts of those lectures.

Russ Roberts: So that helped finance the trip. The book and the TV series, which reached millions, obviously, helped as well with the ideas of *Capitalism and Freedom* which probably didn't sell quite as well—marketed by the University of Chicago Press—but with similar ideas.

Milton Friedman: No, no. The University of Chicago Press did a good job in marketing considering the absence of book reviews. After all, *Capitalism and Freedom* has sold something like 600,000 copies. *Free to Choose* has sold over a million copies. And we found it very fascinating to observe the way sales of *Capitalism and Freedom* went. To begin with, they were relatively few. And then they gradually started to increase and it was entirely person to person—word of mouth.

Russ Roberts: And it is a book that's still quite topical.

Milton Friedman: The basic principles that we believe in

are going to stay the same for the next thousand years. That aspect of it will never go out of date. What goes out of date are the particular applications. We still find Adam Smith's book, *Wealth of Nations* well worth reading even though it's published in 1776.

Russ Roberts: Yes, it is surprisingly informative.

Milton Friedman: It certainly is and it's so well written.

Russ Roberts: I think a huge part of your success—obviously not the logic but the success of the ideas—is your ability to communicate clearly and effectively to a non-technical audience.

Milton Friedman: Well, I'm not a stylist the way Smith was. The modern economist who really I think matches that is George Stigler.

Russ Roberts: Absolutely. He had a graceful pen. And it was a pen probably, not a keyboard, if I had to guess.

Milton Friedman: Oh, there's no doubt that it was a pen.

Russ Roberts: I know you can give us the empirical evidence. Let me ask you about another idea in *Capitalism and Freedom* that you later elaborated on in a Sunday *New York Times* magazine story in the early 1970s. You wrote there: "There is one and only one social responsibility of business, to use its resources and engage in activities designed to increase its profits, so long as it stays within the rules of the game which is to say engages in open and free competition without deception or fraud."

I feel that that view of business, the one that says it should maximize its profits, is increasingly under attack and there's a strong activism afoot in the land to turn corporations and businesses into social organizations, welfare agencies, charitable organizations. One, do you agree with me? Do you think that's true? And two, what can we do about it? Any ideas?

Milton Friedman: I think it's absolutely true. There's no doubt that that's—the view that there are many stakeholders and not only the shareholders has spread. And business itself propagates the idea because it's good public relations. They spend money entirely with a view to the bottom line but label it social responsibility spending.

And that sentence, I think, is still just as true as it ever was and I've never seen an occasion to change my view about that. Suppose a business wants to do charity. What is it that gives it any special ability to do charity properly? The XYZ Company, in addition to producing XYZ trucks, also wants to be socially

responsible and so it does what it thinks is charity. What is its special capacity for that?

It may know how to make trucks but does it know the right way to spend charitable money? And whose money is it spending? It's spending somebody else's money. It's a very bad practice. Business has had such a big incentive to label itself socially responsible—it's primarily responsible for that conception.

Russ Roberts: Yeah, I worry about that slippery slope as they brag about how well they've done in those different dimensions. I'd like them to brag about how profitable they are. That means they've produced something that people enjoy, are willing to pay for and have found a way to produce it at a lower cost.

Milton Friedman: The truth of the matter is that the only way anybody can make money is by producing something that people want to buy, but it can give away money without meeting that restriction.

Russ Roberts: That reminds me of one explanation for why people, I think, lean on businesses to indulge other activities besides producing products well. It's the Willie Sutton theory of why you rob banks—that's where the money is.

The Chicago City Council recently passed an ordinance requiring large retailers—mainly Wal-Mart and Target—to pay at least \$10.00 an hour in wages and \$3.00 an hour in benefits.

If you ask the proponents why should Wal-Mart finance a higher standard of living for their workers, why should the investors of Wal-Mart, the stockholders, and Target, be the ones that finance that, I think the answer would be "Well, they have the money."

That ignores, of course, the incentive effects that then result. They're the last people that you'd want to have finance this because it discourages them from creating jobs for low skill people. But I think that first order effect of "Well, they've got the money, they write the checks so therefore they've got the responsibility" has a huge appeal to the average person.

Milton Friedman: But it's always been true that business is not a friend of a free market. I have given a lecture from time to time under the title *Suicidal Impulses of the Business Community*, something like that, and it's true. It's in the self-interest of the business community to get government on its side. It's in the self-interest of a *particular* business. Look at this crazy business about ethanol. Who's benefiting from that?

Russ Roberts: Farmers. Corn farmers.

Milton Friedman: No, the farmers aren't benefiting.

Russ Roberts: The landowners.

Milton Friedman: What's the company that produces it?

Russ Roberts: Archer Daniels Midland. So of course, they lobby and talk about the enormous environmental benefits of ethanol.

Milton Friedman: But the real puzzle—puzzle isn't quite the right word—the real *problem* here is where do you find the support for free markets? If free markets weren't so damn efficient, they could never have survived because they have so many enemies and so few friends. People think of capitalism or free markets as something that obviously is supported by business. People think that if a business party is a party in politics, it will promote free market. But that's wrong. It will be in the self-interest of individual businesses to promote a tariff here and a tariff there, to promote the use of ethanol—

Russ Roberts: Special regulations for its competitor that apply just by chance to its competitors but not to itself—

Milton Friedman: That's right.

Russ Roberts: —or that they already comply with but their competitors don't happen to comply with.

Milton Friedman: And it's so hard in general, so much harder, to repeal anything government is doing than it is to get it to do it. There are so many stupid things that government is doing that, clearly, it would be in the self-interest of the public at large to have repealed. Who would—who can really on logical grounds defend sugar quotas? There's no way of defending sugar quotas.

Russ Roberts: You don't think it's a big national security issue? [laughter]

Milton Friedman: That was why they were imposed. Because of Cuba. They were initially imposed against Castro. But once you got them, you couldn't get rid of them.

Russ Roberts: It's a good example because the beneficiaries are very few.

Milton Friedman: They're very few.

Russ Roberts: We understand that politically that gives them a certain reason to be loud in talking to the representatives but you'd think the fewness of them would eventually be decisive in overturning it but it has not.

Milton Friedman: No, it's not, because it's an advantage. If

50% of the people were sugar farmers, you couldn't possibly have sugar quotas, because it costs too much to the others. But if 1% of the people are sugar producers, for each dollar that they get, that's divided among 99 people so it's only one cent to the individual.

Russ Roberts: So their incentive to yell is small—which brings us back to a question that you write about in *Capitalism and Freedom*. Issue by issue, it's easy to make the case for discretion.

When you see the cumulative effect of going issue by issue, you really can make the case for principles. You give the example in the book of freedom of speech. Obviously, a lot of Americans are against freedom of speech.

Milton Friedman: Oh, sure.

Russ Roberts: And if you went issue by issue, you'd find a lot of speech that would be voted down as not appropriate and yet we sustain it through enough people believing that it's a good thing.

Milton Friedman: But even here, with the campaign finance laws, we're reducing freedom of speech drastically.

Russ Roberts: That gets back to your point about businesses wanting government to protect them. In this case, the business is the industry of government. Politicians like the protection that campaign finance laws gives them.

Milton Friedman: Yeah.

Russ Roberts: That's a very tough one when they regulate themselves. They do tend to be a little self-interested there. It's very sad.

Milton Friedman: But how do we get that repealed? What politician is going to come up and make a big fight on repealing the McCain-Feingold legislation.

Russ Roberts: Although the Supreme Court occasionally does speak up and suggest that this is not really consistent with the Constitution.

Milton Friedman: Well, the Supreme Court is not a very strong support in some cases. Look at what it did with property—with eminent domain. The Kelo case is not really a good advertisement for a free market Supreme Court.

Russ Roberts: But ironically, it did produce a backlash at the state and local level against using it.

Milton Friedman: The Institute of Justice—which is a remarkably good organization—has been promoting that

backlash against it and they've been doing a very good job. It may well be that you'll end up with a stronger support for property than you originally had. But that wasn't the intention of the Supreme Court.

Russ Roberts: Let's go back to the difficulty of repealing bad laws. You mentioned sugar quotas, sugar price supports, as an example. What role do you think economic illiteracy, a lack of understanding on the part of the public of the full effects of legislation, plays in sustaining laws that are described as in the national interest but are really serving special interests?

Milton Friedman: Very little. Because it's not in the self-interest of the recipients to figure it out. What housewife is going to spend the time to save the extra money—maybe it's \$5.00 or \$10.00 a year she pays extra on sugar? It doesn't pay to try to figure out. What you're dealing with is rational ignorance. The rational part is what I want to emphasize. It's not ignorance that is avoidable because it's rational to be ignorant.

Yet somehow, people do get it. Minimum wages have become less popular than they used to be. They've been trying to pass a rise in the minimum wage for years and they haven't passed one. And that's because, I think, there is more understanding of the economic merits or demerits of it than there used to be—more people recognize the effect of a higher minimum wage on the employment of the poor.

Russ Roberts: On the flip side, the living wage, which are these local ordinances or like the one in Chicago we spoke about earlier, gets attention and often passes.

And if anything, you'd think there the effects are going to be more stark in a local area—employers have more choices to leave the area which they wouldn't have at the federal level. On the case of gasoline price controls, true, no one clamors for price controls but we have all these implicit price controls—threats by attorney generals to prosecute gougers in the wake of Katrina or worse, vaccine manufacturers who might have the gall to charge a market-clearing price.

Instead we have the president of the United States two winters ago begging people to not use the vaccine if they're not really at risk, instead of using the price mechanism which is so much more effective. It seems to be a paradoxical pattern? Do you have any thoughts on that?

Milton Friedman: I don't think there's anything very paradoxical about it. First place, we are now only twenty or thirty years from when we had price controls [on gasoline]. And so a large fraction of the population had personal experience with

it. Twenty or thirty years from now, after there's nobody living who had experience with price controls, I wouldn't be surprised to see it come back again.

We have to keep ourselves open to the facts. The facts are that the world has become better and better over time. The 19th Century was better than the 18th Century. The 20th Century was better than the 19th Century. The 21st Century is going to be better than the 20th Century. There was once an article back in, oh, 1780 or something, which said how many people lived in free countries and how many lived in the rest—non-free.

And the ratio of people who live in free countries to the total population of the world has surely been going up throughout this whole—these past two centuries. It went up most dramatically recently when the Berlin Wall fell, when the Soviet Union went out of existence. So there's reason to be optimistic.

Somehow or other, these stupid individuals who vote these bad laws seem to have enough sense to keep from voting laws bad enough to create a negative GNP. So I think in the end, you've got to remain an optimist.

Russ Roberts: I share your optimism and I like the long-term perspective. On any one day, you can always get depressed about what's going on in Washington or in city hall but the long-term trend is toward more freedom and a higher standard of living and although it seems very difficult for people to recognize that, they're always moaning; the educated class is always moaning about how things have never been worse. We stand on the brink of a precipice either because we have a trade deficit or China or manufacturing jobs are in decline or the inequality due to this, that or the other, or immigration. There's always some threat to our prosperity that's imminent and yet we manage to keep going.

Milton Friedman: And yet—another thing on the glass being half empty. While everybody complains about Bush's tax cuts, nobody really is in favor of higher taxes. There's no broad sentiment, no broad move [to raise taxes].

Russ Roberts: I want to ask you about George Stigler who you mentioned earlier. Stigler was an observer of the political scene. He was a political economist who described why things were the way they were but he felt it was a waste of time to be an advocate, a preacher, a proselytizer for a particular philosophy or ideology because politicians face these incentives and you're not going to change what they do. Being an advocate for this policy or that policy or trying to increasing liberty—as you have—is a Quixotic endeavor. Is that a fair assessment of his view?

Milton Friedman: There's a lot of truth to it. George always used to say, "Milton wants to change the world. I just want to observe it." But it wasn't true. That was what he would say. But after all, you never heard George say a good thing about bigger government. You never heard him in any way express views that differed from yours and my views about what we ought to be doing. So I think that was a little bit of a show that he put on.

Russ Roberts: But he didn't spend as much time as you have professionally.

Milton Friedman: No, no. He did spend much more time on observing.

Russ Roberts: And you have spent a great deal of time obviously on observing but a sizeable amount of time on urging or prodding or pushing politicians and others—the rest of us—to advocate for smaller government and more individual freedom.

Milton Friedman: I have.

Russ Roberts: As a person who spent a lot of time in the—not just in the academic vineyard but in the policy vineyard, do you look back on that as fruitful work?

Milton Friedman: I really had two lives. One was as a scientist—as an economist—and one was as a public intellectual. And everybody more or less does his major scientific work at a relatively early age. And it's kind of natural, I think, that people switch from the one area to the other. Really until the 1970s, I did not have much contact in politics whatsoever.

I had some but not much. But then, I think increasingly as the scientific side of my life matured and I happened to know more people in politics, my interests and my activities switched to some extent. I think what really motivated it more than anything else was when I was writing columns for *Newsweek*.

Russ Roberts: Which was fun, I assume.

Milton Friedman: It was fun. It was fine. I found it a very challenging thing to do and it made me—forced me—to keep up with the current affairs that were going on and also it brought me into contact with people who were active in politics.

Russ Roberts: Did colleagues other than George voice an opinion about you spending your time that way? I know at that point in your life, you were already incredibly respected and successful but—

Milton Friedman: No. No.

Russ Roberts: For a young scholar, it's not the best use of time often.

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Milton Friedman: I always told my students that if they went to Washington, they shouldn't stay there more than two years or they'll get ruined. And in general, I've argued to youngsters who came up to me and wanted to be ideologists, wanted to promote an ideological view, that they first better get themselves established as an economist or as a scholar and get a good job and then they could afford to do it.

Russ Roberts: What advice would you give to those who love liberty and would like to see its cause thrive? You talked about some optimism, that the broad historical trends are good. Anything in the short run that you think would be useful or good for people to be aware of or take advantage of?

Milton Friedman: I think people have to do what they want to do. I think that the best thing that people can do who want to promote the free market is to talk about the free market, to think about the free market, to write about the free market and to get into arguments.

Russ Roberts: Something you've spent a lot of time at.

Milton Friedman: I've had a lot of experience in it, a great deal.

Russ Roberts: That's good advice. Thank you, Milton.

