

# MILTON FRIEDMAN AND ROSE D. FRIEDMAN'S UNIQUE— AND GREAT— DUAL AUTOBIOGRAPHY

**Book Review by Thomas Sowell**

When *Two Lucky People* was first published, more than a quarter of a century ago, it was such a revelation and an inspiration that I read every page, and marked up most of those pages. It was my privilege to have been a student of Professor Milton Friedman at the University of Chicago, and I have remained a student of his work to this day.

This jointly written autobiography of Professor Friedman and his wife Rose is now being published again, so it can be an inspiration and a revelation to today's generation. Milton and Rose met when they were both graduate students in economics at the University of Chicago. So both were trained economists, and this autobiography is not the only book they have jointly written.

Yet *Two Lucky People* is not a book about economics. It is a book about *life* and its human relationships— whether in the America in which they grew up, the America of today, or in other societies they visited during their worldwide travels in later years.

What they learned in those international travels tells us something, not only about those countries, but also something about America, whose benefits we may too often take for granted, as things that just seem to happen naturally. What is especially revealing is how many very different circumstances Professor Friedman encountered over the years, and how he handled the many very different roles he played— whether as a landmark scholar in the history of economics or a columnist addressing the general public in ways that explained economic issues in very plain English.

The role in which I first encountered Professor Friedman was when he was teaching an advanced course on price theory for Ph.D. students at the University of Chicago. His standards were very high and challenging. And those strict standards applied to attendance at his lectures. No student was allowed to enter the classroom after

his lecture had begun. He wanted no distractions, when we were all gathered for concentration on serious and complex subjects.

His examination standards were equally tough. One day, when I was sitting outside his office, waiting to see him, another student passed by and noticed the grade on my exam.

“You got a B?” he said, in a tone of great surprise.

“Yeah. Is that bad?” I asked.

“There were only two B’s in the whole class,” he said.

“How many A’s?” I asked.

“There were *no* A’s,” he replied.

Milton Friedman was not just tough on students. He was tough on himself. He took teaching very seriously— which is not always the case with world-famous professors whose writings have won a Nobel Prize. But, as he said in this joint autobiography, “the actual time devoted to teaching is always some multiple of class hours.” Instead of using multiple-choice questions that are easy to grade, he preferred to ask the kind of questions “that required the students to apply the principles they had been taught to a problem they had not encountered.” Grading the students’ answers to such questions was “tedious work,” he said. But he considered it his duty to do it:

Time and again you find that the students have not really understood what you thought you had made crystal-clear. They may be able to repeat it, but only a few can apply it in a new context. Your own failures as a teacher are what make grading papers not only a tedious but a depressing task.

Within the economics profession, Milton Friedman was one of the giants of the twentieth century. But that was something he achieved after many years of tough, uphill battles. Both he and Rose were offspring of families in the huge wave of largely poor Eastern European Jews, who arrived in the United States during the late 19th century and early 20th century. Rose came with her family as a child,

and Milton was in the first generation of his family to be born in America—in Brooklyn, New York.

Their parents began working at whatever jobs they could find. Rose's father began as a peddler and Milton's mother did low-paid "sweatshop" labor that was common at the time. Looking back on these times in later years, he said:

In view of the bad reputation of sweatshops, it is interesting that I never heard my mother make a negative remark about her experience. On the contrary, she regarded it as enabling her to earn a living while she learned English and became adjusted to the new country.

In his later role as an economist, Milton Friedman repeatedly denounced minimum wage laws for pricing low-income people out of jobs that they needed—not only for current income, but also for acquiring work experience that would enable them to rise to better jobs. Since one of the most elementary principles of economics is that people tend to buy less at higher prices than they buy at lower prices, it is hardly surprising that employers tend to hire less labor after minimum wage laws raise wage rates above where they would be set by supply and demand. The real minimum wage is always zero, for someone who cannot find a job.

Eventually, the Friedman family moved to New Jersey, where they now had a grocery store, and they lived upstairs over the store. But that did not mean that they had the kind of money that would be needed to send a son to college. However, his teachers told young Milton about scholarships that were available from Rutgers University in New Jersey and from the University of Pennsylvania. He took the tests required to apply for the scholarships—and received one from Rutgers, but not from Penn.

That scholarship enabled Milton Friedman to go to college, without having to pay tuition. But that was all it covered. How he would feed himself and have a place to live was his problem. He solved that problem by working two part-time jobs. One job was being a clerk

in a department store. It paid “four dollars for a twelve-hour day on Saturday, and two dollars for an occasional afternoon.” The other job was as a lunch-time waiter in a restaurant. This created a problem:

My pay was a free meal, so I made sure that lunch was my main meal for the day. Generally, I could not eat until close to one o'clock. Since I frequently had classes that started at 1:30 some distance away, I had to eat fast, a bad habit that has lasted all my life.

There was another problem. Arriving late for 1:30 classes caused him to receive the only grade of C that he received in college.

After graduating from Rutgers, Milton Friedman went on for postgraduate study at the University of Chicago. Though his scholarship there also covered only his tuition, he found an intellectual inspiration in the economics taught there. And he also found Rose Director. Because the renowned economics professor Jacob Viner seated his students in alphabetical order, to make it easier for him to learn their names, Rose Director was seated next to Milton Friedman.

There was already a “Chicago school” of professors in sociology at that time, and now there was one in economics— including professors Frank Knight and Jacob Viner— with their own approach to economics that challenged what other economists were saying elsewhere, in other elite universities.

Over the years, Milton Friedman went from being a student in that “Chicago school” to becoming in later decades the central and driving force in an even larger and more powerfully influential “Chicago school.” In the last quarter of the twentieth century, Professor Friedman was the first in a series of University of Chicago economists who won Nobel Prizes in economics. During this later span, there were 9 Nobel Prize-winning economists at the University of Chicago, compared to one at Harvard.

All of this was achieved after a long, uphill battle. Seeking to begin an academic career in the 1930s was a major challenge, at a time when most universities did not hire either Jewish or black professors.

Milton Friedman's first academic appointment was to a one-year post at the University of Wisconsin. Even though both his students and other professors praised his work, objections were made to his becoming a permanent faculty member. He found the whole situation too distasteful, and withdrew. Milton Friedman began working for the government as a statistician.

By the end of the Second World War in 1945, the Nazi enemy's racism in general and anti-Semitism in particular were so discredited that these barriers began to diminish. In 1946, Milton Friedman became a professor at the University of Chicago. A year earlier, a black economist— Abram L. Harris— was appointed to the faculty by the University of Chicago.

By this time, John Maynard Keynes was not only the most famous economist of his day, and perhaps of the entire 20th century, his economic doctrines were utterly dominant in the economics profession. This included Milton Friedman— at first. But Professor Friedman put factual evidence above any theory, and that led him to become the primary challenger of Keynes' theories and the government policies based on those theories.

Keynesian economic theories depicted active government fiscal policies— such as deficit spending— as the most effective way to deal with such problems as declines in national output or increases in unemployment. Milton Friedman preferred less government action, and that action largely focused on maintaining an appropriate supply of money, leaving many other decisions to be made by market competition.

In the early years of this controversy, it was largely taken for granted that Keynesian fiscal policies were right and Friedman's monetary policies wrong— and barely worth noticing. This was clearly the case in a classic and best-selling economics textbook of the mid-twentieth century, by Paul Samuelson (also a Nobel Prize economist). Keynesian fiscal policy was presented there as clearly the way to go, and monetary policy barely worth thinking about.

With the passing years and decades, as Milton Friedman's research and writings on the history of monetary policies and their consequences became more widely known, opinions began to change.

Successive new editions of Samuelson's textbook began to give more serious attention to the role of monetary policy. Eventually, his textbook ended up simply warning that monetary policy was not the only policy to consider.

On other issues as well, Friedman and his "Chicago school" colleagues and disciples began to be taken more seriously, especially as their Nobel Prizes in economics began to accumulate. The highly-rated economics department at UCLA became known as the west coast branch of the "Chicago school," and the economics department at the University of Virginia as the eastern branch.

The Friedman influence began to spread beyond the economics profession, after he began to produce books, articles and televised programs aimed at a wider audience of the general public. Here his plain-spoken words and patient explanations to even hostile critics made both his sincerity and his logic plain to all. He became known internationally, and this led both Friedmans to have extensive travels to many foreign countries. Their insights on these countries led to a long chapter on China in this book, and other personal observations led to various conclusions on India, Chile, Israel and other countries.

Rose and Milton Friedman were not just economists. They were people with many insights on human beings and societies in general. We are all fortunate that they left this treasure as their legacy to us.