

November 20, 2006     The death of economist Milton Friedman last week at the age of 94 marks a great loss for advocates of freedom everywhere. He was perhaps the most successful free-market economist of the 20th century, in terms of his real-world impact on politics and policy. Many modern politicians, including Ronald Reagan, considered him a major influence in their careers. Milton Friedman was a strong advocate of economic liberty who opposed government intervention in both the purely economic and broader social spheres of our society. He believed not only in laissez-faire capitalism, but also the larger cause of individual liberty in the political sense. I was proud to know Dr. Friedman for many decades, and considered him a friend. I can assure you that he was no ivory tower academic, but rather an engaging and active man who worked very hard to demonstrate the applicability of economics to everyday life. His death only underscores the sad lack of economics knowledge in Washington, however. Many of our elected officials at every level have no understanding of economics whatsoever, yet they wield tremendous power over our economy through taxes, regulations, and countless other costs associated with government. They spend your money with little or no thought given to the economic consequences of their actions. It is indeed a tribute to the American entrepreneurial spirit that we have enjoyed such prosperity over the decades; clearly it is in spite of government policies rather than because of them. The truth is that many politicians and voters essentially believe in a free lunch. They believe in a free lunch because they don't understand basic economics, and therefore assume government can spend us into prosperity. This is the fallacy that pervades American politics today. Our schools teach children virtually nothing about economics and personal finance, which leaves them woefully unprepared for the working world. It also creates whole generations of young Americans who are incredibly vulnerable to the worst pandering politicians. We cannot suspend the laws of economics or the principles of human action any more than we can suspend the laws of physics. Yet this is precisely what Congress attempts to do time and time again, no matter how many times history proves them wrong or economists easily demonstrate the harms caused by a certain policy. The nation would be well-served if Congress spent more time reading the works of Milton Friedman, and less time worrying about petty party spoils.