

Remarks

Ideas matter. Indeed, the world is ruled by little else. Many years ago, John Maynard Keynes wrote that “practical men, who believe themselves to be quite exempt from intellectual influences, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back.”

Milton and Rose are indeed academic scribblers, though hardly defunct, and not surprisingly, their views have become pervasive throughout this culture. The radical notion of freedom espoused by them has echoed down the generations to create societies where individuals acting in their own self-interest have, by engaging in mutually beneficial exchange under a rule of law, elevated standards of living for a rising share of the world’s population.

For more than a half century, Milton and Rose Friedman have been in the vanguard of removing the stultifying weight of the state, rendering an ever larger part of the human race free to choose. They move their world by a combination of scrupulous adherence to fact and an extraordinarily efficient thinking process. In fact, this process has fostered what some of Milton’s detractors—there are indeed some—believe is a put-down but is in fact an inadvertent compliment. The line goes, “I wish I was as certain about *anything* as Milton is about *everything*.” He is certain about what he knows, but shouldn’t everybody?

Professor Friedman is, as you all know, a formidable debater, a characteristic in stark evidence three decades ago during, as Milton would remember, a session of the commission on an all-volunteer armed force, on which he and I served. I do not recall the details except that in a very quiet way Milton dismembered a very famous general’s position in favor of the draft and against what the general termed a mercenary armed force. I later spoke to Tom Gates, who chaired the commission, who said that he too had opposed eliminating the draft but Milton turned him around. That may not seem significant except he was a former secretary of defense.

Milton's certainty of who he is has led to another admirable characteristic. He, as all of you are acutely aware, is utterly without guile or proclivity to spin or manipulate. He does not speak down to an audience nor alter his content to gain their approval. He presumes that he is speaking to a rational, if not always knowledgeable, audience. In discussions on issues, he exhibits the same demeanor whether he is talking to a high school student or the president of the United States.

It is this characteristic that once helped me frame a response to requests to televise Federal Open Market Committee meetings. I said most people unduly hedge their opinions if they are recorded, especially live. I thought it would alter the nature of what FOMC members said and undercut freewheeling debate. If you could fill the FOMC with Milton Friedmans, I acknowledged, I would have no such hesitation with live cameras. I do not ever recall Professor Friedman's views being altered by television cameras or, for that matter, by anything else.

My first contact with Milton was in 1959, when I mailed him a copy of an article on the impact of the ratio of stock prices to replacement cost on capital investment. I am sure he had never heard of me, yet he took the time to reply with several very thoughtful suggestions. I have never forgotten that.

I find I cannot discuss Milton without discussing Rose. I have never been able to visualize Milton without Rose in the background inspiring and correcting him. As I indicated in a White House tribute to Milton early last year, I'm not certain who is the more intellectually formidable of the two. Perhaps that owes to the fact that I was stirred first by Rose Friedman's insights before I really fully understood Milton's contribution to economic thought.

In 1949, I had started on a doctoral thesis on the savings rate under Arthur Burns of Columbia. I soon ran into a rather intriguing article by Dorothy Brady and Rose Friedman that demonstrated, if my memory serves me, that a particular household savings rate is a function of that household's income relative to the average of the total relevant population. It explained why the savings rate has no trend through time despite the presumption that the higher the income level, the higher the savings rate. As a 23-year-old, I was utterly fascinated by that insight.

Other participants in today's program will, I trust, present the many accomplishments of both Rose and Milton to the intellectual heritage of the world and the profoundly influential role they have played in furthering human freedom. I wish to add that perhaps their most important accomplishment is the creation of themselves—in their language, two lucky people. If I believed in luck, I would argue that the most lucky people are those of us who have had the privilege of knowing both of them.

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