

A fine balance

'Intellectual freedom fighter'
served under three presidents

Clark prof remembers Friedman

By Andi Esposito
BUSINESS EDITOR

Milton Friedman stood on the balcony in a restaurant at the top of the tallest building in Dallas, craning his neck over the edge to see the tiny Trinity River below. It was 1965, and Congress had passed legislation authorizing



the Trinity River Project, which would create a barge canal between Dallas and the Gulf of Mexico. It would cost \$911 million.

Ms. Ott

"President Johnson wanted to make the river navigable," recalled Attiat F. Ott of Worcester, who taught economics for 36 years at Clark University and at the time of Mr. Friedman's visit to Dallas was a young assistant professor at Southern Methodist University. "Milton thought that was pork barrel. He was talking about government waste.

"His philosophy was that gov

By Justin M. Norton
THE ASSOCIATED PRESS

SAN FRANCISCO - Milton Friedman, a

Nobel prize-winning economist who championed individual freedom, influenced the economic policies of three presidents and befriended world leaders, died yesterday. He was 94.

Friedman died in San Francisco, said Robert Fanger, a spokesman for the Milton and Rose D. Friedman Foundation in Indianapolis. He did not know the cause of death.

"Milton Friedman revived the economics of liberty when it had been all but forgotten," said former British Prime Minister Margaret Thatcher, one of the politicians and colleagues who lauded Friedman yesterday. "He was an intellectual freedom fighter. Never was there a less dismal practitioner of a dismal science."

In numerous books, a Newsweek magazine column and a PBS show, Friedman championed individual freedom in economics and politics. The longtime University of Chicago professor pioneered a school of thought that became known as the Chicago school of economics. His work is still widely influential in the business world, academia and politics.

Friedman's theory of monetarism was adopted in part by the Nixon, Ford and Reagan administrations. It opposed the traditional Keynesian economics that had dominated U.S. policy since the New Deal. He was a member of Reagan's Economic Policy Advisory Board.

His work in consumption analysis, monetary history and stabilization policy earned him the Nobel Memorial Prize in Economic Sciences in 1976.

Friedman favored a policy of steady, moderate growth in the money supply, opposed wage and price controls and criticized the Federal Reserve when it tried to fine-tune the economy.

A believer in the principles of 18th-century economist Adam Smith, he consistently argued that individual freedom should rule economic

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policy. Friedman saw his theories attacked by many traditional economists such as Harvard's John Kenneth Galbraith.

"He, more than any other person, has changed the composition and ideology of the economists' profession," said Paul Samuelson, a professor emeritus of economics at the Massachusetts Institute of Technology who was a contemporary liberal foil to Friedman's conservatism.

In an essay titled "Is Capitalism Humane?" Friedman said that "a set of social institutions that stresses individual responsibility, that treats the individual ... as responsible for and to himself, will lead to a higher and more desirable moral climate."

Friedman argued that government should allow the free market to operate to solve inflation and other economic problems

But he also urged adoption of a "negative income tax" in which people who earn less than a certain amount would get money back from national coffers.

Born in New York City on July 31, 1912, Friedman began developing his economic theories during the Great Depression when President Franklin D. Roosevelt based his New Deal on the ideas of Britain's John Maynard Keynes, the most influential economist of the time.

Keynes argued that the government should intervene in economic affairs to avoid depressions by increasing spending and controlling interest rates.

Friedman graduated from Rutgers University in 1932 and earned his master's degree the following year at the University of Chicago.

After working for the

National Resources Commission in Washington from 1935 to 1937, he served on the staff of the National Bureau of Economics Research in New York from 1937 to 1945 and received his doctorate from Columbia University in 1946.

After World War II, he taught at the University of Minnesota, then returned to the University of Chicago. He became a senior fellow at the Hoover Institution at Stanford University in 1977.

Friedman married Rose Director in 1938. They had two children, Janet and David, and Rose was co-author of some of his books.

Among his most famous books were: "Price Theory," 1962 (with Rose Friedman); "Capitalism and Freedom," 1962 (with Anna J. Schwartz); "An Economist's Protest," 1972 and "There Is No Such Thing As a Free Lunch," 1975.

Friedman is survived by his wife and two children.

Clark professor recalls Friedman

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ernment does more harm than good. He stood up on the balcony to look at the river. `This is how we waste taxpayer money, and we really have to curtail the extent of public-sector involvement in the economy. No private enterprise would have put money into it to make it navigable,' he said."

The Trinity River Project was eventually abandoned. "That was my first exposure to the free market and how you have to evaluate what the public does, and what they should do and should not do," said Ms. Ott, a research professor at Clark and president of the Institute for Economic Policy Studies.

A Ph.D. graduate of the University of Michigan, Ms. Ott had been deeply influenced in her studies by Richard D. Musgrave, who taught at Michigan and was the first to focus on the public economy and viewed government as a benevolent institution.

Assigned that day more than 40 years ago by SMU to escort the famous economist from the University of Chicago, a visiting lecturer, Ms. Ott said they ended up at the rooftop restaurant because Dallas was a dry town and alcohol was only served in private clubs. She arranged for the dinner to be held at Ports O' Call atop the Southland Life Insurance Co.

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ATTIAT F. OTT

Ms. Ott said the meeting with Mr. Friedman opened up a new perspective for her.

"I was taught that government was a benevolent dictator, had a role in the economy and that the public sector knew better than individual," she said yesterday. She described her encounter that night with Mr. Friedman as "quite an eye-opener."

Ms. Ott and her husband, the economist and writer David J. Ott, who worked for the Council of Economic Advisers under Presidents Johnson and Nixon, became friends with the Friedmans. "I began to listen to him closely and read what he had to say and remedy my information about the public sector and not be one-sided," said Ms. Ott.

educator. When you talk to him you would always come out learning a lot more than when you came in."

In 1978, Ms. Ott went as a visiting senior scholar to the Hoover Institution, where Mr. Friedman was a senior research fellow from 1977 to 2006. "Milton was there, of course, and I had a chance to talk with him and listen to him a lot more," she said.

After David Ott's sudden death in 1975, Ms. Ott, the first woman member and president of the Worcester Economic Club, established a series of lectures in Mr. Ott's memory. Milton Friedman, a Nobel laureate, was among those who came to Worcester to speak at Ms. Ott's invitation. "He was very gracious," she said.

"Because of his ability to communicate his ideas without being aggressive or insulting, he made people listen to what he had to say, appreciate and enjoy it," said Ms. Ott, recalling their friendship. "Economics is not an easy subject. When you have someone who can communicate to you without making you feel stupid, that is the hallmark of a good educator.

"He was a good educator and a great man, and our profession will feel a great loss, but his contribution will continue. He changed the profession."