

Money talks



"It was brilliant. I was 22, fresh out of college and earning in the high £20,000s in 1997. Then I learnt that my co-presenters Matt Baker and Simon Thomas were being paid more than me. So I kicked off, fought for my rights and upped my salary. Because I'd done maths as part of my degree, I made sure I got all the back payments with compound interest."

Television presenter Konnie Huq (pictured) on hosting *Blue Peter*, quoted in *The Sunday Telegraph*

"Next to bombing, rent controls seem in many cases to be the most efficient technique for destroying cities."

Swedish economist Assar Lindbeck, quoted on adamsmith.org

The Democrats are the party of government activism, the party that says government can make you richer, smarter, taller, and get the tickweed out of your

Republicans are the

The flat-earther who was right

adamsmith.org/blog

It was Milton Friedman's birthday at the end of last month – he would have been 108 – and it is a fitting tribute to the man to reflect on his achievements, says Oliver Riley. As former Federal Reserve chief Ben Bernanke said: "The direct and indirect influences of his thinking on contemporary monetary economics would be difficult to overstate." Yet it is hard to imagine today the incredulity with which his most well-known views were received when he first expounded them.

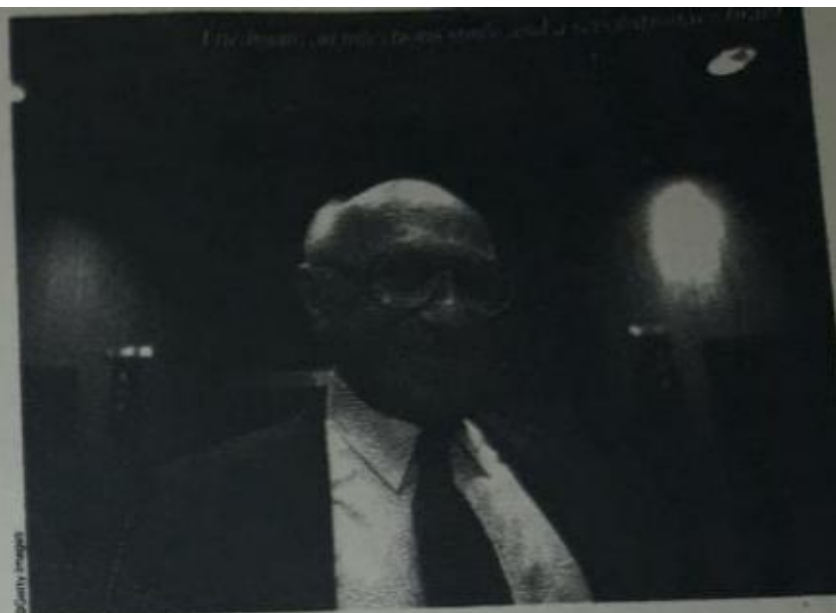
A heretic makes his mark

The ideas he espoused were at the time considered heretical to the Keynesian orthodoxy, which made him "sort of flat-earther" among his fellow academics. His star began to shine in 1945, when he published a book showing that rent controls are damaging. Agreement on this issue is now

widespread, but at the time his book was "derided as an attack on the ability and authority of politicians and economists to shape the economy" to their benevolent and rational ends.

His work in the 1960s on the issue of the day, inflation, was able to predict the forthcoming combination of persistent high inflation with high unemployment and stagnant demand, or "stagflation", and could "account for the economic malaise of the 1970s in a way that the Keynesian consensus could not".

But it was outside of the academy that Friedman had his largest impact. He was a "masterful" communicator, and his work as a public intellectual, writing hundreds of newspaper columns and popular books, and featuring on national radio and television, helped to "turn the tide of mainstream thought in economics".



Friedman was a controversial figure, and his reputation was tainted (wrongly) by association with economists who went on to serve under the military dictatorship of Augusto Pinochet in Chile. Yet the Friedmanite reforms pursued in that country, which included the "pioneering privatisation of swathes of state-run industries and reforms to the pension system", saw Chile go on to become one of the most prosperous states in South America.

Similar programmes, most notably in China and India, saw more people escape poverty in the last 25 years than they have in the last 25,000 years of human existence. The Nobel Prize-winning economist G. Becker rightly stated that "the person they are most indebted to for the improvement of the situation is Milton Friedman".

He was also known for "his warm temperament, infectious smile and the kindness he showed to all he met". On his birthday, Milton Friedman