

WESTERN ECONOMIC ASSOCIATION MEETINGS
Hyatt Regency San Francisco

DATE: Saturday, July 11, 1992
TIME: 10:15 a.m. to 12:00 n.
ROOM: Golden Gate A
TOPIC: MILTON, MONEY, AND MISCHIEF: IN CELEBRATION OF HIS 80TH BIRTHDAY

SUGGESTED SCHEDULE:

- 10:00 Arrive to check if room and equipment are in order, and to greet panelists as they arrive.
- 10:15 Call meeting to order.
- 10:16 Introduce myself.
My name is Jerry Jordan.
I am President of Federal Reserve Bank of Cleveland.
I have the honor of serving as moderator for this session.
- 10:17 Explain the plan for the session:
Purpose is to honor Milton Friedman.
Three distinguished panelists will present papers.
Order of presentations:
Anna Schwartz
Allan Meltzer
Thomas Sargent
- There will be time following each paper for comments and questions from the other panelists and from the floor. We will conclude with time for whatever comments Milton cares to make.
- 10:20 Give reasons for honoring Milton Friedman (see page 2)
- 10:25 Introduce Anna Schwartz (see page 4)
- 10:50 Introduce Allan Meltzer (see page 5)
- 11:15 Introduce Thomas Sargent (see page 6)
- 11:40 Invite Milton Friedman to Comment (see page 7)
- 12:00 Thank participants and adjourn the meeting.

REASONS FOR HONORING MILTON FRIEDMAN

We are here to honor Milton Friedman, on the occasion of his 80th birthday, which will occur on July 31.

Everyone here, no doubt, is familiar with the ideas of Milton Friedman. That would be true for an audience of educated people almost anywhere in the world. For without question, he is one of the greatest economists of this century.

Many of his ideas, such as those about the consumption function and about monetary economics, have become orthodox views in economics.

In addition, his views about personal freedom, especially economic freedom and the importance of limiting government intrusion into private economic decisions, which he and his wife, Rose, have so eloquently set forth in their books and TV series, are finding increased acceptance both here and abroad.

As an undergraduate at Rutgers University in the early 1930s, Milton planned to employ his math skills in a lifetime of compiling actuary tables.

Fortunately, two of his professors, Homer Jones and Arthur Burns, persuaded him to go to graduate school and study economics.

He received a Ph.D. in economics from Columbia University in 1946. He then joined the faculty of the University of Chicago, where he taught for 30 years. He is widely accepted as the leader of the Chicago School of monetary economics.

Milton received the Nobel Prize for economics in 1976. That seems an appropriate year for him to have been so recognized, as it was the 200th anniversary of the publication both of Adam Smith's Wealth of Nations, and of the U.S. Declaration of Independence. Those publications, articulating the importance of the market system and of freedom from government tyranny, contain ideas that have been very important in Milton's thinking.

Today, Milton is a Senior Research Fellow at the Hoover Institution at Stanford University.

Milton has written about the importance of the climate of intellectual opinion in shaping the policies and practices of a nation. Surely, Milton's work over the last half century is playing and will continue to play an important positive role in shaping the climate of opinion in matters that affect our prosperity and our freedom.

For that, we are greatly in his debt, and that is why it is fitting that we have gathered here today to honor him on his milestone birthday.

ADDITIONAL MATERIAL ON MILTON FRIEDMAN

Considered the leader of the Chicago School of monetary economics.

Winner of the Nobel Prize in economics, 1976.

Author of important books on:
 the consumption function
 monetary economics
 the value of the market system and personal freedom

Senior Research Fellow at Hoover Institution (since 1977)

formerly Professor of Economics, Univ. of Chicago, 1946-1976

formerly on research staff of NBER, 1937-1981

Author of: A Theory of the Consumption Function
 The Optimum Quantity of Money and Other Essays

Co-Author (with Anna Schwartz) of:
 A Monetary History of the United States
 Monetary Statistics of the United States
 Monetary Trends in the United States and the United Kingdom

Co-Author (with Rose Friedman) of:
 Capitalism and Freedom
 Free to Choose
 Tyranny of the Status Quo

Authored a column in Newsweek from 1966 to 1983

Member of President Reagan's Economic Policy Advisory Board

Was President of:
 American Economic Association
 Western Economic Association
 Mont Pelerin Society

Recipient of: National Medal of Science (1988)
 Presidential Medal of Freedom (1988)

Member of: American Philosophical Society
 National Academy of Sciences

INTRODUCING ANNA SCHWARTZ

Currently:

On research Staff of NBER (since 1941)
Adjunct Professor of Economics, Graduate School of City Univ.
of NY

On Boards of Editors of:

Journal of Money, Credit, and Banking

Journal of Monetary Economics

Contemporary Policy Issues

Formerly:

On Board of Editors of American Economic Review
Staff Director of the U.S. Gold Commission, 1981-82
President of Western Economic Association

Among her many publications in monetary economics are several
co-authored with Milton Friedman, among them:

A Monetary History of the United States, 1867-1960 (1963)

Monetary Statistics of the United States (1970)

Monetary Trends in the United States and the United Kingdom:
Their Relation to Income, Prices and Interest Rates,
1867-1975 (1982)

INTRODUCING ALLAN MELTZER

Professor of Political Economy and Public Policy, Carnegie-Mellon Univ
Member of President's Economic Policy Board

A founder and co-chairman of Shadow Open Market Committee

Author of several books and 150 papers on economic theory and policy

Has taught at Harvard, Univ. of Chicago, Univ. of Rochester, and at universities in Britain, Brazil, Yugoslavia, and Austria.

Has been consultant to:

Congressional committees

President's Council of Economic Advisors

US Treasury Department

Board of Governors of Federal Reserve System

foreign governments and central banks

Co-editor of the Carnegie-Rochester Conference Series on Public Policy

Associate editor of Journal of Monetary Economics

formerly Associate Editor of:

Journal of Economic Literature

Journal of Finance

formerly President of the Western Economic Association

INTRODUCING THOMAS SARGENT

Currently:

Senior Fellow at the Hoover Institution
Research Associate at the NBER
Adviser to the Federal Reserve Bank of Minneapolis

Formerly:

Professor of Economics at Univ. of Minnesota
Visiting Research Professor of Economics at Univ. of Chicago
A member of Brookings Panel on Economic Activity

Associate Editor of:

Review of Economics and Statistics
Journal of Econometrics
Journal of Finance
Journal of Monetary Economics

His books include:

Macroeconomic Theory
Exercises in Dynamic Macroeconomics (with Rodolfo Manuelli)
Dynamic Macroeconomic Theory
Rational Expectations and Econometric Practice (with Robert Lucas)

SUGGESTED TOPICS FOR FRIEDMAN'S COMMENTS

Something provocative from one of the three session papers.

In a recent interview, you said "reducing the scope of government is our most important single objective." Why is this so? How can it be made to happen?

In a recent interview, you said "One unsolved economic problem of the day is how to get rid of the Federal Reserve." Why would you like to see the Fed eliminated? Is there no need for a central bank?

You were a founding member of the Mont Pelerin Society in 1947. What was the purpose of the Society? Why was it needed? What has it accomplished?

In the epilogue to your latest book, Money Mischief, you "suspect that the world will see more episodes of both high inflation and full-fledged hyperinflation within the next few decades." Why is this likely?

Nearly 30 years ago, you wrote (in Inflation: Causes and Consequences, 1963) that "inflation is always and everywhere a monetary phenomenon." You say in your latest book (Money Mischief, 1992, page 262) "That proposition has been known by some scholars and men of affairs for hundreds, if not thousands, of years." If their cause is known, why do inflations continue to occur? Do you think a time will come when inflations no longer occur?

More than a decade ago, (in Free To Choose, 1979, page 299) you wrote that the Constitution needs "an economic Bill of Rights to complement and reinforce the original Bill of Rights." What would an economic Bill of Rights include? Why is an economic Bill of Rights needed? Now that the experience of many countries has demonstrated the superiority of free markets over central planning, is the time right to push for an economic Bill of Rights?

You have written (Free To Choose, page 286) that "the Socialist party was the most influential political party in the United States in the first decades of the twentieth century." Considering that the Socialist party achieved little success in elections, what was the source of its influence?

You have written (Free To Choose, pages 284-85) about the importance of the intellectual climate of opinion, and that the tide of opinion favoring New Deal liberalism has crested. Why is the intellectual climate of opinion so important? In what direction is the next tide likely to run?

INTRODUCING ROSE DIRECTOR FRIEDMAN
(in case this is appropriate)

Married Milton June 25, 1938 (recently celebrated 54th wedding anniversary)

Co-author with Milton of two children (Janet and David)

Contributor to Studies in Income and Wealth (1947)

Author of Poverty: Definition and Perspective (1965)

Associate Producer of TV series "Free To Choose" (1980)

Co-author with Milton of:

Capitalism and Freedom (1962)

Free to Choose (1980)

Tyranny of the Status Quo (1984)