

**Interview. "Milton Friedman on Vouchers." Interviewed by Michelle Malkin. CNBC (television broadcast), 24 March 2003.**

*Michelle: You are the grandfather of school vouchers. Do you feel victorious?*

Mr. Friedman: Far from victorious, but very optimistic and hopeful. We are at the beginning of the task because as of the moment vouchers are available to only a very small amount of children. Our goal is to have a system in which every family in the U.S. will be able to choose for itself the school to which its children go. We are far from that ultimate result. If we had that a system of free choice we would also have a system of competition, innovation which would change the character of education. You know our educational system is one of the most backwards things in our society in the way we teach people they did 200 years ago. There is a person in the front of the room there are children sitting down at the bottom and they are being talked to. Can you name any other industry in the U.S. which is as technologically backward? I can name one and only one..the legislature for the same reason. Both are monopolies. The elementary and secondary school system is the single most Socialist industry in the U.S. leaving aside the military, but aside from the military its a major socialist industry, it is centralized and the control comes from the center and the difficulty of having a monopoly in which people cannot choose has been exacerbated by the fact that it has been largely taken over by teachers unions, the National Education Association and the American Federation of Teachers and the unions. Understandably I do not blame them but they are interested in the welfare of their members not the welfare of the children and the result is they have introduced a degree of rigidity which makes it impossible to reform the public school system from within. Reform has to come through competition from the outside and the only way you can get competition is by

making it possible for parents to have the ability to choose.

*Michelle: Give to me a model, an example of how it would work*

Mr. Friedman: Very simple, take the extreme the government says we are willing to finance schooling for every child. The government compels children. If you look at the role of government in education, there are 3 different levels. There is a level of compulsory. The government says every child must go to school until such and such an age. That is the equivalent of saying if you are going to drive a car you must have a license. The second stage is funding. Not only do we require you to have an education but the government is willing to pay for that schooling. That would be equivalent to saying the government is willing to pay for your car that you drive. The third level is running the educational industry. That would be the equivalent of the government manufacturing the automobile or to put it in a different image consider food stamps today. Food stamps are funds provided by the government, but if that were to be run like the schools, they would say everybody has to use these food stamps at a government grocery and each person with food stamps is assigned to a particular government grocer so the only way you can get your food stamps is by going to that grocer. Do you think those groceries would be very good? We know what the situation is in schooling people say why now and not 50-75 years ago? Well, when I went to high school, that was a long time ago in the 1920s, there were a 150,000 school districts in the U.S and the population was half what it is now. Today, there are fewer than 15,000 school districts. So it used to be that you really did have competition because you had small school districts and parents had a good deal of control over those school districts, but increasingly we have shifted to very large school districts, to centralized control, to a system in which the governmental officials in which the educational professionals control it and like every socialist industry it produces a product that is very

expensive and of very low quality. Of course it is not uniform. There are some very good schools do not misunderstand me, but there are also some very bad ones.

*Michelle: I interviewed some folks who are against school vouchers and they say that if you really want to help out a school what you should do is provide high quality early childhood education, small classes, small schools, summer school available to children who want it. Put money to those items which they claim would work.*

Mr. Friedman: They don't, we have been doing that. The amount of money spent per child adjusted for inflation has something like doubled or tripled over the last 20 years. Twenty years ago we had this report "a nation at risk" that pointed out all of the difficulties I just referred to and which pointed out this was a first generation that was going to be less schooled than its parents. We are now in the next generation and will be even less well schooled. We have had every possible effort you could have from reform from within. It is not just in schools it is in any area reform has to come from outside it has to come from competition. Let me illustrate that from within the school system, the United States from all accounts ranks #1 in higher education. People from all over the world regard the United States colleges and universities the best and most varied. On the other hand in every other international comparison we rank near the bottom in elementary and secondary education. Why the difference?...one word...choice. The elementary and secondary education the school picks the child. It picks its customer. In higher education the customer picks its school, you have choice that makes all the difference in the world. It means competition forces product. Look over the rest of the economy. Is there any area in the U.S. in which progress has not required progress from the outside. Look at the telephone industry. When it was broken down into the little bells and opened up the competition, it started a period of rapid innovation and development. The key word is competition and the question is how can you get

competition. Only by having the customer choosing.

*Michelle: There is concern that money is going to religious schools. That the majority of the students in voucher programs that exist use them to attend schools with religious affiliation?*

Mr. Friedman: Why? Because the vouchers are so small in some cases. It is true that of the private schools in the U.S. the great bulk of them are religious. That is for one simple reason. Here is someone selling something for nothing, somebody down the street is giving away chocolate, and you want to get into the business of selling chocolate. That is kind of tough isn't it. Here at schools children can attend them, they are not free, they are paying for it in the form of taxes but there is no specific charge for going to that school. Somebody else is going to offer it. The churches, the religious organizations have had a real advantage in that they were the only ones around who were in a position to subsidize the education and keep the fees down low. If you open it—wide the most recent case was Cleveland case. The voucher that they had had a max value of \$2,500. Now it is not easy to provide a decent education at \$2,500 and make money at it, make it pay. At the same time the state of Ohio was spending something like over \$7,000 per child on schooling. If that voucher had been \$7,000 instead of \$2,500 I have no doubt that there would have been a whole raft of new private, non-profit both profit and non-profit schools. That is what has happened in Milwaukee. Milwaukee has a voucher system and today the fraction of the voucher users in Milwaukee going to religious schools is less than the fraction going to religious schools was before this system started, because there have been new schools developed and some of them have been religious, but many of them are not. In any event, the Supreme Court has settled that issue. They have said that if it is the choice of the parent, if there are alternatives available—there are government schools, charter schools, private non-denominational schools, private denominational schools—so long as the choice is in the hands of

the parent that is not a violation of the 1st amendment.

*Michelle: You have a friend and an ally in the White House when it comes to vouchers*

Mr. Friedman: I should say. Mr. Bush has always been in favor. He is in favor of free choice. Remember vouchers are a means not an end. The purpose of vouchers is to enable parents to have free choice and the purpose of having free choice is to provide competition and allow the educational industry to get out of the 17th century and get into the 21st century and have more innovation and more involvement. There is no reason why you cannot have the same kind of change in the provision of education as you have had in industries like the computer industry, the television industry and other things.

*Michelle: Is it refreshing to have a President that, Bill Clinton was firmly against vouchers.*

Mr. Friedman: No, it is a case of circumstances. When he was Governor of Arkansas he was not against vouchers. He was in favor, but when he became President he came out against vouchers. I should say he did not oppose vouchers as Governor and he did as President and that was for political reasons. People don't recognize how powerful politically the teachers unions are. Something like a quarter of all the delegates at the democratic national convention are from the teachers union. They are probably the most powerful pressure group in the U.S... very large funds, very large number of people and very active politically.

*Michelle: We talk in the office about how President Bush has some very Friedmanesq ideas.*

Mr. Friedman: They are not friedmanesq they are just good ideas. I hope that is true anyway. I think very highly of President Bush and I think in these areas, don't misunderstand me, that is not a blanket statement, there are some things he has done that I disagree with, but taken

as a whole he has been moving in the right direction of trying to move toward a smaller more limited government, trying to provide more freedom and more initiative in all areas. His philosophy on Medicare is the same as his philosophy in schools.

*Michelle: Is that refreshing?*

Mr. Friedman: It is an interesting thing, if you look at the facts. The one area the area in which the low income people of this country, the blacks and the minority are most disadvantaged is with respect with the kinds of schools they can send their children to. The people who live in Harlem or the slums or the corresponding areas in LA or San Francisco, they can go to the same stores, shop in the same stores everybody else can, they can buy the same automobiles, they can go to supermarket but they have very limited choice of schools. Everybody agrees that the schools in those areas are the worst. They are poor. Yet, here you have a Democrat who allege their interest is to help the poor and the low income people. Here you have to take a different point. Every poll has shown that the strongest supporters of vouchers are the low income blacks and yet hardly a single black leader has been willing to come out for vouchers. There were some exceptions, Paul Williams in Milwaukee who was responsible for that...and a few others

*Michelle: Why do you think that is?*

Mr. Friedman: For obvious reasons, political. It has been to the self interest to the leaders the school system as long as its governmental, its a source of power and jobs to hand around and funds to dispose of. If it is privatized, that disappears and the other aspect of it is the power of the teachers unions. Right now those of us that are in the upper income classes have freedom of choice for our children. In various ways we can decide where to live and we can choose places to live that have good schools or we can afford to pay twice for schooling — once by taxes and once by paying tuition at a private school. It seems to me utterly unfair that those opportunities should

not be open to everybody at all levels of income. If you had a system, the kind I would like to see, the government would say we require every child to get a certain number of years of schooling and in order to make that possible we are going to provide for every parent a voucher equal to a certain number of dollars which they can use only for schooling — can't use it for anything else. They can add to it, but they cannot subtract from it. Those will be those can be used in government schools. Let the government run the school but force them to be in competition so that all government schools charge tuition, but can be paid for by that voucher. But that same voucher can also be used in private schools of all kinds and then you would have an open...the teachers union complained and they insist they are doing a good job. If they are doing a good job then why are they so afraid of some competition?