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An Interview with Milton Friedman on Education

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PRK: Pearl Rock Kane

MF: Milton Friedman

PRK: I have the pleasure of interviewing Professor Milton Friedman, one of the most fervent and most effective advocates of free enterprise of the last century. Professor Friedman is a 1946 graduate of Columbia University, where he received his PhD, the same year that he became a professor of economics at the University of Chicago. He is currently a research fellow at the Hoover Institute at Stanford University and Professor Emeritus at the University of Chicago. In 1976 Professor Friedman won the Nobel Prize for Economic Science. He has been called America's most influential living economist. I want to thank you for the opportunity to interview you today.

MF: Very glad to do so.

PRK: I teach a course at Teachers College on choice and privatization, where we read the chapter in your book, *Capitalism and Freedom*. It has to do with education, specifically, the recommendation of vouchers. You argue that government should fund schools, because a child's education benefits everyone, not just the individual. The schools produce the common values necessary for society to function. But although you say government should finance schools you argue that government shouldn't have to operate schools and that all education ought to be provided through private enterprise. Now, forty years since you've written that book, we've had several experiments with vouchers in Milwaukee and Cleveland, and recently in Florida, and we have some experience with

privately funded vouchers. We also have a proliferation of charter schools. How do you feel about the proposal you made in 1962?

MF: What you say sounds as if a lot has been accomplished, but it's only the beginning. I think that the proposal is on its way to being realized, and that its consequences will go far beyond anything that we've now seen. But I want to go back to your description of my position because it isn't quite right. I said, and I would say it even more strongly today, that there may be a case for government financing of education, but there's no case whatsoever for government's administration of schools. But today, I would argue that there's no case even for government financing it, except for the indigent, for those who cannot pay for themselves. And the reason I say that is because of a really important point that's often overlooked in discussions of the role of government. And that's the difference between the average effect and the marginal effect.

For a society to be a decent society, you want people with common values, who absorb the history and culture of the society in which they live, who have respect for other people. And schools are a mechanism to achieve this goal. The question is: suppose government did not finance schools. How large a fraction of children would go to school, anyway? We have good evidence on that because that was a situation until the middle of the 19th century. There were something like 80, 90, 95 percent of children in schools at that time, without government financing, and we had higher literacy than we do now. Now, the next question is, if you were to have, let's say, 90 percent without government financing, and if government financing would make it, say, 91 percent or 92

percent, there's a marginal effect on the external conditions of the society, on social values. Is the marginal effect of that one or two percent more worth imposing financing on the whole system? And I now believe – I believe more strongly than I did then - that the marginal effect is not worthwhile. And that in the ideal society, parents would be responsible for schooling their children, just as they're responsible for feeding them, for clothing them, for housing them. And the government would enter in to finance, only as it would enter in for other problems, to help people who are in serious situations, to provide the safety net to make sure that youngsters whose parents are unable or unwilling to provide them with school, get schooling. Now, that's all very theoretical, and it has no political importance. But I've always thought it's nice to know what your ideal would be, so you know if the steps you're taking are going in the right direction or the wrong direction. That's a long, roundabout way of getting back to your question, and then to get back to your specific question. So far, we've had very limited programs, the Milwaukee program is the biggest, largest, and it only allows up to 15,500 students.

Now, a more interesting thing was the Forstmann-Walton program in which a million and a quarter applicants applied for forty thousand scholarships, each of which require that recipients spend at least a thousand dollars out of their own pocket. That shows that there's an enormous demand for choice, an enormous market waiting for choice to develop.

What you need, and what choice would provide, is competition. Now, charter schools do offer choice to some extent. But they are limited. They're part of the government system;

they cannot compete in terms of price. They can only compete on grounds of quality or structure. The teachers unions, which have so effectively taken over the educational establishment and dominated education, are not happy about charter schools. They may pretend to be, but they are not. And they will undoubtedly move to try to take them over. There was an attempt in California for legislation that would essentially require the charter schools in the state of California to be unionized, to live under the employment contract that the district schools had with the union.

For the long run, I see much more opportunity for competition, from the private market. And I think, in addition to the items you mentioned, there are some very encouraging developments. There are a number of private, for-profit enterprises that are emerging to provide different kinds of education. Some of them are running charter schools. Some of them are providing supplementary education, supplementary schooling, or tutoring after school. And some of them are setting up private schools. In every other area of society we have had progress through competition. What are the areas in the United States that are technologically most backwards? They are the post office, the legislature and the schools, because they're all government-run, they're all government monopolies. In other areas, in telephone, in radio, television, movies, retail stores, supermarkets, automobiles, what has produced progress and change is competition. And what we really need in education is more competition.

PRK: In your vision of schooling, do you see education being provided exclusively by the for-profit sector?

MF: No, I don't. I see competition. Let parents choose.

One of the things that has always interested me about the teachers unions' opposition to vouchers is the unions claim that government schools are very good. Well, if they're that good, why are they afraid of competition? If the government schools are really providing superior education, and if parents are free to choose either the public school or a private school of whatever kind, why are the unions so afraid? Why aren't they willing to put up with competition? The answer is, because they know they're not doing a very good job. And they know they're running the schools for the benefit of their members, not for the benefit of the students. So, what I would expect is an open market where there would be a wide variety of schools. There would be strictly for-profit schools, charter schools, parochial schools, as there are now, and government schools. Which would survive would depend on which ones satisfied their customers. If past experience is any guide, I expect that the government sector would shrink rapidly over time, just as has happened in mail delivery. Federal Express and UPS have taken away a large part of the business that used to be monopolized by the post office. The only reason the post office is still able to exist is because it has a monopoly, a government-granted monopoly on first-class mail. And it's losing business to faxes, to e-mail, and other deliverers.

Moreover, there's no reason to expect that the future market will have the shape or form that our present market has. How do we know how education will develop? Why is it sensible for a child to get all his or her schooling in one brick building? Why not add

partial vouchers? Why not let them spend part of a voucher for math in one place and English or science somewhere else? Why should schooling have to be in one building? Why can't a student take some lessons at home, especially now, with the availability of the Internet? Right now, as a matter of fact, one of the biggest growth areas has been home-schooling. There are more children being home-schooled than there are in all of the voucher programs combined.

PRK: Yes, recent estimates are just under a million.

MF: Now, in a way, that's evidence of the failure of our current education system. There is no other complex field in our society in which do-it-yourself beats out factory production, or market production. Nobody makes his or her own car. But it still is the case that parents can perform the job of schooling their children, educating their children, in many cases, better than our present educational system. I don't know what other programs would emerge. Neither you nor I are imaginative enough to dream of what real competition, a real free market, could produce, what kind of educational innovations would emerge.

PRK: I think we could envision a very positive future, but having children educated at home raises the issue of social cohesion. And many parents educate their children at home because of religious reasons.

MF: The public schools have stayed away from religious education. The parochial schools have not, and there's no reason why, you know, in a free market, there shouldn't be parochial schools.

PRK: What about the notion of nurturing a common core of understandings that children need to function effectively as citizens in our democracy? You advocate developing basic understandings in *Capitalism and Freedom*.

MF: That is a really important issue. What is the situation today? Private schools are required to have a certain minimum curricula content. The justification for that is compulsory education. It isn't really that government runs the school, but if you have compulsory education, then the government has an obligation to define what education is. It is desirable to have a common core of basic ideas, values, and knowledge. But I think that will develop without really any effort. I think, if you look at what parents who school their children at home do now, most of them teach exactly the same kinds of things that are taught in schools. History and civics, an understanding of the American constitution, that's the kind of thing that's necessary. And more important, they seem to instill a better sense of basic values, of honesty, of trustworthiness, of discipline.

One interesting item: we have had these terrible episodes of shootings in the school. It's just heartbreaking. Every one of those has happened in a big school. There's not been a single such episode in a private school that I am aware of. What went wrong in our

government school system is that they are run from the top down, and there developed a desire to be bigger, to agglomerate schools into very big school districts.

When I graduated from high school -- it was a long, long time ago, in 1928 -- there were 150,000 school districts in the United States. The population was half its present size. Today, there are fewer than 15,000 school districts. And that came about because of the aggrandizement and bureaucratization of the school district -- assembling mammoth high schools -- some of them with 1,500, 3,000, 5,000 students. In such schools it's very hard to have an atmosphere of intimacy, of closeness, of togetherness, of being part of a group. You do much better in relatively small schools.

PRK: There certainly are research findings that support your advocacy of small schools. But I want to return to your comment about the government's role in education. You seem confident that the schools would not need oversight, that the schools would teach what most Americans would want them to teach, because parents would demand the same kinds of knowledge for their children wherever they went to school. But what about access to schools? Would we end up having schools that are more divided racially, ethnically and by class than they are now? Should we impose some form of controlled choice?

MF: We know the answer to that, because right now, the private schools are less racially divided, are more integrated, than the government schools. Every study that has looked at the private schools, most of which are parochial schools, demonstrate clearly that they

are more integrated than the government schools. There's been talk about integration, but if you look at what happened in government schools, the drive for integration has created more segregation. The whites fled the cities to the suburbs. All the busing in the world – the busing program that was instituted to promote integration - has not succeeded in doing so. I think there is close to 75% segregation in our public schools.

In the private world, you'll have much less segregation, Why? Are the customers of Chevrolet segregated by race? If you have a free market, customers will buy the product they want. Now, there may be some people who want to send their children to a racially segregated school, but in the main, most customers will be looking for other qualities. They'll be looking for qualities of good schooling, and they will determine what's produced. The people who manufacture automobiles do not decide what automobiles are produced. It's the customers who decide what they'll produce. If they produce a model that nobody wants to buy, it'll stop being produced. In the same way, the question is, what is it that parents, in the main, in the United States, as in other countries, want when they go into the market to purchase schooling for their children? They don't want violence. They don't want prejudice. What they want is a good education for their children, in safe, decent quarters. And that's what producers will have to produce, or else they'll go out of business. If the government schools can do a better job at providing qualities, then they'll survive and continue.

PRK: It may be true that independent schools have more racial diversity than their neighboring districts because they are not constrained by geography but the schools are not more

economically diverse. Besides, without an extensive transportation system, it's going to be hard to diversify schools.

MF: We have an extensive transportation system. Automobiles are universally available. But anyway, what you say is true.

Our government schools are predominantly segregated. The difference between a government system and the private system I'm talking about is that the government system chooses a student. Under a private system, the student chooses a school. The government system comes into the home and says you're assigned to such and such a school. Now, under pressure, there has been some development of choice among public schools, which is a good thing. But that's very limited. And in the main, that alternative is not very useful. Because it's almost always true that you may go to another public school, if that public school has room for you and is willing to admit you. Now, you go to the private school, and if indeed, a school has more customers than it can handle, that will be a signal for somebody else to set up another school. Just as when a producer of any other product has strong demand, and is making money, that will bring other producers in. So, the producers – that is, the people who set up the schools, who run them - will be trying to give the customers what they want. And on the whole, I trust the American public, the public at large, much more with choosing what's good for their children, than have the decision come down from on high.

PRK: Have you any concern that the families with more financial and social capital might choose the best schools for their children, and other families' children would have to attend inferior schools?

MF: If that were the case, there'd be more best schools produced. Over history, hasn't the relationship been just the other way around? When automobiles first came out, they were very expensive. Only the rich could afford them. What happened over time, the well-to-do provide, as it were, the experimental funds to develop an industry. Automobiles are developed. The well-to-do buy them, and that provides the basis for a small industry. The industry grows, it develops better techniques, it becomes cheaper, and now, almost everybody has an automobile. Surely, there's much less difference in the stratification of people buying automobiles now, than there was, let's say, a hundred years ago, when the automobile industry was just getting started. Again, televisions were developed in the 1930's. They were very expensive; only the rich bought them. But now everybody has a television. And in general, over history, every improvement has benefited mostly the low-income people.

If you go back – I'd like to go back a long time – if you think of an emperor of Rome, what did he have that you and I don't have now? In what way would he have benefited by the developments that have come along? We have televisions, he could have the artist come to his palace and perform for him. We have running water, he had running slaves. The only respects in which I think the emperor would have benefited from what has happened between then and now, is in medicine and transportation. He could get better

medical care today, and he could get more easily from one place to another. But almost all other benefits have gone to low-income people. And so, the opposite of your concern is true. What would happen in a free market world would be that what before was a preserve of the rich will become available to everybody.

Right now, the rich are much more privileged. They can afford to send their children to Exeter and to Andover and to the high-class schools, while the ordinary person cannot do so.

PRK: But why haven't those schools influenced the government school sector in any significant way? Historically private, independent schools have co-existed with the public sector, serving, to this day, largely affluent populations, and those schools have virtually been ignored by the public sector.

MF: Now, let me digress a little. I want to argue with you about the use of words. I think those private schools are in the public sector. They're not in the government sector. Supposedly, by people's definition, Berkeley is a public school. Stanford is a private school. Is there a real difference between them? Both of them get half their income from the government; Stanford gets it in a different way than Berkeley does. Both have large endowments. Both are very high-class schools, very selective. One is a private school, and one is a government school, but both of them are public schools. We use the word public school as if it's synonymous with government school, and I think that's a mistake.

I try, whenever I talk about it, to refer to government schools and private schools, not public schools and private schools. Anyway, that's my own peculiarity, an idiosyncrasy.

But let me go back to your question. First of all, you haven't had the possibility of these select private schools influencing the educational market in the way they would in a world of free competition. There was no way they could influence them, in the sense of the best makers of automobiles influencing the people who bought automobiles, because there was not a broader market. They were in a very restricted market. Second, I believe private schools have influenced government schools over the long haul. But in the period since about 1965, when the National Education Association turned itself into a trade union, the interests that have governed government schools have been very different from the interests that have governed these private schools. And the ruling groups, in the one case, have no great sympathy with the ruling groups from the other. But I'm surprised and interested to hear you say that you think they've had no influence.

PRK: I think private schools have had limited influence on the government sector. What influence do you see?

MF: In the kind of world I envision, private schools would serve as exemplars for new kinds of private schools. People are setting up private schools. Edison tried to establish a whole series of private schools. Wouldn't you say they were influenced by those elite private schools?

Why didn't they succeed? It's not because of their model, but because they were trying to sell something at full cost when somebody else was giving it away free. And so Edison changed its whole business plan, and instead of being engaged primarily in setting up private schools, Edison changed its mission to run state schools or charter schools. But if the market opened up, if you had a universal voucher, if the state said to every parent, "Look, we're spending, in the state of California, what, six thousand dollars per child. If you send your child to a private school, you save us six thousand dollars, so we'll return to you half of that, we'll split it with you, three thousand for you and three thousand for us." And then you have parents with a check in their hand, who want a marketplace of schools, and for whom Edison could set up schools. Three thousand might not be enough. Many parents would be willing to add more. They can't pay the whole price, now, but they could pay another thousand, another two thousand, as the example of Ted Forstmann's private vouchers have shown. In his program parents had to satisfy the income requirements of qualifying for the federal free lunch program, which was a way of limiting the program to the relatively low-income sector. And every one of these low-income applicants committed themselves, putting up an extra thousand dollars.

PRK: What about the families that couldn't even afford the thousand dollars and wouldn't apply for the private voucher or the families that never learned about the opportunity?

MF: Well, they would not be as well off, as they're not as well off in other ways, either. Let me ask you a question. The low-income families in the worst inner cities, in Watts or in Harlem, are these as badly off, with respect to food as they are with schools? Can you

name any other aspect of their lives in which they are so badly off as they are with schools?

Even in housing, they can have a choice. They can try to find better housing for themselves; they can go outside their immediate neighborhood. But with respect to schooling, they're stuck? Even those who are willing to hand over a thousand dollars for their child to go to a better school, they can't do it.

PRK: But you're talking about reducing what the government now pays for financing education and the population that is most needy is also likely to be more expensive to educate. How would we get for-profit providers to want to educate those children?

MF: In principle, I think there's much merit to having different-sized vouchers for different groups. I would not object to having a larger voucher for low-income families and for low-income people in the inner city. But, from a political point of view, that would be very difficult to get accepted. But, the people you're concerned about are probably worse off with the current system than any other system one could conceive. Anything we would do with vouchers would give them a better chance. Why do I say I only want to give a voucher for half the cost of school? The answer is, that whatever government does costs twice as much to do as what private enterprise does. Governments are inefficient. There are many studies that show this. There have been studies of government services that were privatized, private versus government bus lines, private versus government garbage collection. On average, it costs twice as much for the same product if the government does it, than if private people do it, for a very simple reason. Government

people are always spending somebody else's money. And nobody spends somebody else's money as carefully as they spend their own money. So, if the government can provide the kind of schooling it does for $6,000 a year, per student, then private enterprise can provide a better schooling for $3,000.

One of the problems with charter schools is that if the charter school is really free of regulations, which is what it's supposed to be, the amount of money the school gets, which in most states is the same amount per student as the government is now spending in the district, is too much. That's more than charter schools need. And you watch my word, there are going to be some financial scandals with people who are setting up charter schools for the purpose of dipping into that excess.

PRK: On what grounds do you feel charter schools are receiving too much money?

MF: Remember, the charter schools are free to run as they please. If you go to the public, the government schools, they have a larger budget, but less than half the money they spend goes into the classroom. They have extra advisors, consultants, and all sorts of administrative officials. There's a lot of waste. If you set up a charter school, which is free of those rules and regulations, which can run itself efficiently, especially if it's taken over by a for-profit enterprise, it can provide the same schooling, or better schooling, for a good deal less money.

PRK: Most charter schools don't get funding for facility costs, and that has to come out of the per-pupil expenditure. Schools serving poor children also need auxiliary personnel such as family support workers or social workers. Many charter schools are struggling to survive financially.

MF: Well, that's true. I'm not saying this is happening, but it depends on where the charter schools are located. The places where I'd like to see reduced government support are the places where charter schools have been most successful, places like Arizona, which has a very large number of charter schools.

Let me go back to your basic concern. The major effect of vouchers would be to reduce discrepancies between the quality of schooling that the children in the inner city are getting and the quality of schooling of the most high-income person. Currently, that discrepancy couldn't get any wider. It can only get narrower. You're not taking away any alternatives; you're providing additional alternatives for families.

PRK: At the time that you wrote *Capitalism and Freedom*, you talked about having more affluent parents add to the vouchers. In a way, we do that in public schools today, through property taxes and through voluntary contributions to public schools.

MF: That's true. We do, and that's why I've always argued that the good government schools, in the suburbs, are really tax shelters. If those were private schools, tuition paid by parents for their children's schooling would not be deductible from income. But instead,

people pay high property taxes. Those property taxes are deductible in computing the income tax. So Scarsdale is a tax shelter, the Scarsdale school system is a tax shelter. And your point is right; parents do add money to suburban schools in that way.

PRK: My concern is that students in the lower-income areas would not be an attractive investment to for-profit enterprises if providers could also set-up schools in more affluent areas.

MF: Is it true that there are no restaurants in those lower-income areas? You couldn't sell in those lower-income areas a school as expensive as the schools in high-income areas. But the cost of the schools will be adjusted to the market, to what people can pay. In the inner city, there are restaurants, even though there may not be Twenty-Ones, or whatever the most fancy restaurant in New York is. There are supermarkets; there are grocery stores; there are shops; they're all available, although they are not usually of the same quality as those in Scarsdale.

PRK: But isn't that the intent of the government schools,
to provide a level playing field, to abate the effects of family wealth?

MF: No. No. You know how the government schools developed, you know how they were really founded? There were two different sources. There was Horace Mann, and Massachusetts. And he had the idea of converting people into good citizens. But the real source of development of government schools in New York State was because there was

an extensive private system, and the teachers were concerned they weren't going to get their pay. And so agitating for having the government take over the schools came from the teachers. It didn't come from the parents.

PRK: Well, isn't there a democratic ideology that many people subscribe to that would compel us to provide equity in schooling?

MF: Oh, yes, there is. There is that ideology. But as is so often the case, it isn't necessarily based on historical fact. When there were 150,000 school districts, I went to public school, and I thought I got a good education. And when there were 150,000 school districts, before the teachers union had arrived, when the local control really meant something, and parents had something to say about how the schools were run, the schools were providing a common schooling and a common education. There were still the elite private schools; the Exeters and Andovers existed then, too. But as the school districts became consolidated, local control became weaker. Control by the bureaucrats and the state government became stronger, and then, as a final blow, in the 1960's, when the teachers' association converted itself into a union, things started to get worse. So there is something to this image, it has some basis in historical fact, but people do not realize how relatively late government schooling came along. For over a hundred years of the existence of the United States, there were few government schools. The last state to impose compulsory schooling, Mississippi, didn't do so until 1918.

PRK: And who went to school? Who was able to go to school before there were free government schools?

MF: If you look at the statistics of that time, something like 90% of children were in school. You had small schools. You didn't have very luxurious schools, but you had school. Edwin G. West, who wrote a book about the British development, concluded that at the time the British went into compulsory government schooling, something like 80-90%, I've forgotten the exact number, of children were being schooled.

PRK: In 1890, in the United States, only about 10% of the eligible high school population was in school.

MF: Well, that may be, in high school. At that time, they learned to read and write in elementary school. Now, they don't learn it in high school. Every time somebody comes up with an exam that his grandfather took in the eighth grade in Missouri you and I would have great difficulty answering it – they were really pretty tough exams. Unless I am mistaken, literacy was higher in 1890 in the United States than it is today. Today, I guess the estimate is that 20% of the population is illiterate.

PRK: Even in the time when Horace Mann was the commissioner of education, certain groups, blacks, for example, were not included in the common schools. They had to found their own schools and many of these schools relied on private philanthropy.

MF: That may well be. And of course, in the South, during the period of slavery, it was against the law to provide education to the slaves, because they wanted to be sure that they didn't learn enough to escape. So it may well be. I don't know about the blacks in the north at that point, but what you are saying, I have no reason to suppose that's not so.

PRK: In talking with you, it seems that you feel the teacher unions are the opposition and the power that we have to contend with in trying to improve schools.

MF: That certainly is true, but they're not the only problem. It's the unions, plus the bureaucracy, the administrative apparatus, the state officials and the like. Those are the ones we do have to contend with. The two unions, NEA and AFT, are without question, the most politically potent trade unions in the United States. A quarter or more of the delegates to the Democratic Convention were members of the teachers union. The total income of the two teachers' unions is something over a billion dollars a year. There are something like 3,000 or so officials of those unions, each of whom has an income of over a $100,000. The unions have been able to get all sorts of advantages from state law. In the state of California and most other states, they have an automatic check-off, where the dues are taken out of paychecks by the state. They have provisions whereby the teachers can go on union duty and continue to receive their pay. They can become an employee of the union and continue to accumulate retirement funds. There are all sorts of advantages. And moreover, understandably, their interests are for their members.

PRK: How likely is it that union power will be abated?

MF: I think it's very likely because I think the situation has gotten so serious, and parents have gotten so concerned about it, that the dam is beginning to break. It's a fascinating thing, that the issue of vouchers should have been an issue for the Democrats, not the Republicans. It's an issue whose main beneficiaries are poor people. In every poll, the groups that are the most strongly in favor of vouchers are the low-income categories, particularly the blacks. Blacks are a good case study for vouchers. You have 60, 70, and 80% of blacks expressing a desire for vouchers. Yet there have been almost no Black leaders who have ever come out for vouchers with two exceptions in recent years – Polly Williams in Milwaukee, who was a major driving force behind the voucher program in Milwaukee, and Floyd Flake in New York, a Democratic congressman who was strongly pro-voucher. But yet, Blacks are the natural constituent, the natural party for vouchers. Why have Black leaders been opposed to vouchers? Because of the teachers union. When Mr. Clinton was governor of Arkansas, he was in favor of private and public choice, a choice among private schools as well as public schools. He expressed that opinion. He went to Washington, and he made a private school choice for himself. He sent Chelsea to a nice private school, but he changed his position on choice completely. He continued to favor choice among public schools, but he was opposed to choice among private schools. Why? Because of the trade union. There's no other reason.

PRK: Where do you see the source of power to overthrow the unions?

MF: Well, I see it in the fact of what's happening in Milwaukee and Cleveland with vouchers. I see it in the fact that twenty-six states now have a movement to introduce vouchers in

one form or another. The governor of New Mexico is strongly in favor of vouchers and is pushing it very hard. And it's equally true of Governor Ridge of Pennsylvania; Governor Jeb Bush passed a law in Florida. There is widespread public support for vouchers. And the self-interest of the teachers' unions will be able to hold back new interest only for a certain time, but not indefinitely. It is true that every Republican president in the last decade or two, this means Reagan and Bush - I'm not sure about Nixon, but Reagan and Bush, were both in favor of vouchers or school choice. So there is strong support, and the Democrats are beginning to break on this issue. Moreover, as you have these experiments that you're talking about in Milwaukee, Cleveland, and Florida, which have been very popular, and are very much favored by the low-income groups in those areas, that's going to exert further influence.

PRK: Vouchers actually haven't been as popular as one might think. In Milwaukee, for example, not all parents eligible for a voucher have applied for it.

MF: That's true, and that was true in Florida. I don't think it's true in Cleveland. There the problem was the opposite, there weren't enough places in schools, but you're certainly right about Milwaukee. But the popularity of vouchers has been shown by what happened in Milwaukee. There was an election for the school board in which the teachers' union favored one slate and proponents of choice favored the other slate, and the anti-union group won all four open seats. So, it was a complete victory for the proponents of choice. And the mayor of Milwaukee is in favor of choice. The governor of Wisconsin is in favor of choice. So you have, and as I say, by latest count, there were

something like twenty-six states in which there was a movement of one kind or another. Colorado had a referendum that was narrowly beaten, and they're getting ready to have another one. So there's a lot going on. The dam is breaking, and as it breaks, and I think it will, the water will rise more and more rapidly. I think choice is going to be here, I don't know when, it's been a long time coming, but it's starting to come.

PRK: I'm aware that you set up a foundation with your wife, Rose, to support choice. What do you hope the foundation will accomplish?

MF: It is accomplishing a good deal right now. It's been in existence for over four years. What we're doing is providing educational material on vouchers, trying to coordinate the effort of the various groups, serving as a sort of liaison because this is the only foundation which is devoted 100%, to this one issue of choice.

PRK: How did you get involved in educational issues?

MF: I never had much to do with education! I wrote that article on vouchers in 1955, which I later used as a chapter in my book, *Capitalism and Freedom*. I was just looking into the role of government in various areas. One of the areas I wrote about was education, and I wrote strictly on the basis of pure principle and theory. When I was going to college, I ran a summer tutoring school for failed kids at the high school I had attended. I charged fifty cents an hour and its success led to the vice-principal of the school taking it over, and I had to give it up.

PRK: Did he raise the price?

MF: I don't know. But that's the only experience I had in teaching at an elementary level.

PRK: What interests you about education?

MF: You are talking about the end product of forty years. As a result of the article I wrote in *Capitalism and Freedom*, I got involved in various movements towards vouchers. Particularly during the Nixon administration, there was an Office of Economic Opportunity, which was seeking to promote voucher experiments. We had a second home at that time in New Hampshire, and there was a gentleman who was a superintendent of education in New Hampshire, a retired businessman by the name of William Bittenbender who was very much interested in the voucher idea. He made a deal with the Office of Economic Opportunity to try a voucher experiment in New Hampshire. He got in touch with us, and we got involved in that. That was an interesting case because Mr. Bittenbender did a good job of setting it up. He got a group at Dartmouth to do a careful study of what needed to be done. And he got five cities to express interest in experimenting with the voucher program. At that point, the teachers unions and the school officials suddenly realized what was going on, and they went to work and got each of the five cities to back out of the proposal, so nothing ever came of it. The one place they were able to conduct an experiment was in Alum Rock, which was not really much of an experiment because it wasn't a real voucher program. It was more nearly like the

situation in New York City where you have alternative schools, and that's really a development out of the Alum Rock experiment. And so, I got interested. And now, more recently, the reason we set up the foundation is because it's obvious we can't continue to play much of a role; we're getting too old. It seemed to us that was a good way to use our money.

PRK: Well, I hope you're here for a long time. You seem not to be fading in any respect, and you haven't lost any of your vigor or intellectual prowess.

I just want to ask you one final question that relates to why I contacted you in the first place. There will be many graduate students reading the transcript of this interview who care deeply about education. They are people who want to make a difference as educators. What advice would you give a young person, a young professional in education, who wants to have a role in making a difference? Where can they have an impact?

MF: I think that the best choice your talented people can make, overall, is to teach. And those who have an entrepreneurial streak can set up private schools, which will be able to attract voucher students. Let me say this. If I'm right, the voucher movement is going to expand and grow. There will be a brand new industry: the education industry, a private, for-profit, and non-profit education industry. It will introduce competition in a way that's never existed before. And it's a big industry. Total expenditures of elementary and secondary education in the United States are in the neighborhood of three hundred billion dollars. That's as much as the worldwide industry of computer chips.

There will be many opportunities with vouchers and they will get a great deal more satisfaction out of teaching in a school, which is serving their customers instead of serving the bureaucrats who run our government schools now. It's an interesting phenomenon that teachers today in private schools are paid less than teachers in government schools, but express greater satisfaction with their jobs. And that will be universal, that you'll have the kind of competitive market developing, out of a widespread use of vouchers and parental control and choice that will be superior. But I don't know how to spell that out in advice to young people. They have different values and interests. So they should do what they want to do, what they really believe in doing. And maybe one of the things they should do is to try to develop different kinds of education schools.

PRK: Do you want to elaborate on that?

MF: Well, you know better than I do the defects of the schools of education in the United States. The schools of education have not been a great success. By every study, the average grade level of students in the school of education is lower than in most other parts of the university. Moreover, there's so much emphasis on teaching technique and so little on subject matter that, as you know, a great many of the teachers in government schools teach subject matter in which they have no competence. They're teaching mathematics when they have not been trained in mathematics. One of the benefits from a private system is that you wouldn't have all these rules about who can get licensed. Today in California, Edward Teller cannot teach physics in a high school, in a

government high school. He did, as a matter of fact, out of his own interest, teach physics in a private high school academy, at a Hebrew academy, here, in the city of San Francisco. But he wouldn't be allowed to teach in a public school. I would not be allowed to teach economics in a public school; I've never had an education course in my life. While in a private market – and that's one of the reasons why private schools do better – they can draw on a broader range of skills without such restrictions.