



Milton Friedman to FokusIsrael.ch: “I hope that Israel will always remain a free and democratic society.”

About the Person

Milton Friedman was born on July 31, 1912, in Brooklyn, New York, the son of Jewish immigrants from Eastern Europe. His parents had only modest means and ran a small business. These experiences shaped his understanding of entrepreneurship, hard work, and the importance of economic opportunity. Milton Friedman is considered one of the most influential economists of the 20th century. Together with his wife, Rose Friedman—herself a renowned economist and co-author of numerous works—he advocated for a society centered on individual freedom, personal responsibility, and competition. After completing his studies in economics, Friedman taught for many years at the University of Chicago, where he became one of the leading figures of the so-called “Chicago School.” His research on monetary policy, inflation, and consumption theory had a lasting impact on the field of economics. For his scholarly work, he was awarded the Nobel Prize in Economics in 1976. Among Milton Friedman’s best-known achievements is his advocacy for the abolition of universal conscription in the United States. Milton Friedman died on November 16, 2006, at the age of 94 in San Francisco. With the help of AI, FokusIsrael.ch interviewed Milton Friedman, asking him about his academic beliefs, his Jewish heritage, anti-Semitism, and Israel.

From Isabelle Arnau

Mr. Friedman, you were born in Brooklyn to Jewish immigrants. How do you feel when you see the rise of anti-Semitism on American college campuses and in the streets?

Milton Friedman: It saddens me, but unfortunately it doesn’t leave me speechless. History rarely repeats itself exactly, but prejudice always finds new forms. My parents came to America because they believed that people here are judged by their achievements. That was America’s great promise. Anti-Semitism destroys precisely that promise. A free society thrives on the principle that everyone has the same rights—regardless of religion or background. When Jews once again have to consider whether they can visibly wear a kippah or a Star of David, that is not a Jewish problem. It is a problem of freedom.

Many Jewish families are leaving New York—or at least considering it. They say the political climate has changed and they no longer feel adequately protected under the city’s new leadership. What goes through your mind when you hear that?



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Milton Friedman: That shocks me. For generations, New York has been a place of hope for Jewish immigrants—including my family. Anyone who leaves a city because they want to improve their economic situation is making a free choice. But leaving because you no longer feel safe as a Jew, or because you feel that political leaders aren’t taking your concerns seriously, is something entirely different. A government must make it absolutely clear that there is no place for anti-Semitism and that Jewish citizens deserve the same protection and security as everyone else. When that trust is lost, a city loses far more than just residents. It loses its moral compass. Trust is easy to squander, but extraordinarily difficult to regain.

What does Israel mean to you?

Milton Friedman: Israel is far more than just a state. For many Jews, it is the assurance that there is a place where they do not have to beg for their very existence. At the same time, I hope that Israel will always remain a free and democratic society. Strength is demonstrated not only on the battlefield, but also through independent courts, a free press, and a vibrant economy.

What advice would you give the Israeli government today?

Milton Friedman: Security comes first. Without security, there can be neither investment nor prosperity. At the same time, we must never forget that freedom is a strategic advantage. Democracies sometimes seem slow and disorganized. That is precisely where their strength lies. People who are free to think and act develop ideas that no government would ever have come up with.

Many people today view billionaires with skepticism. Do you share this view?

Milton Friedman: No. I’m less interested in how rich someone is than in how they became rich. Did they convince people to buy their products voluntarily? Or do they owe their success to political privileges? Those are two completely different things. Competition is the best check on economic power. Politics is often a much worse one.

Has capitalism passed its prime?

Milton Friedman: I’ve been hearing this question for over fifty years. Capitalism isn’t successful because it’s perfect. It’s successful because it allows people to learn from their mistakes. No minister of the economy is as smart as millions of people



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making their own decisions every day. That’s why I’ve so often used the simple pencil as an example: No one plans its production—and yet it works.

What advice would you give to young entrepreneurs?

Milton Friedman: Don’t wait for perfect conditions. My parents could have waited forever. Work hard, solve real problems, and treat your customers fairly. Profit is not a flaw. It shows that you have created value for other people.

What was the most moving moment of your career, and what are you particularly proud of?

Milton Friedman: The Nobel Prize was, of course, a great honor. What moved me even more, however, was the abolition of the draft in the United States. For years, I had argued that a free society should not force its citizens into military service if a volunteer army is possible. Seeing that ideas can actually change policy meant more to me than any award.

Would you also advocate for voluntary military service in Israel?

Milton Friedman: Yes , in principle, I would also advocate for the abolition of universal conscription in Israel—for the same reasons I have put forward in the United States. The compulsory recruitment of young people is a form of involuntary labor that violates fundamental civil liberties. However, I recognize Israel’s unique situation. A small country with a relatively small population, located in a region facing existential threats, is not in the same situation as the U.S. is in peacetime or during limited conflicts. When the security of the state is directly at stake and a very large number of available forces is needed, universal conscription can be a necessary evil—just as I accepted it for the United States during World War II.

Nevertheless, I would strongly advise Israel to move toward a more professional, volunteer-based model wherever feasible. An army based on volunteerism and merit ultimately strengthens public support and economic dynamism—something Israel, as an innovative country, could particularly benefit from.

What do you think about the fact that ultra-Orthodox Jews in Israel are exempt from military service?

Milton Friedman: I consider this exemption to be wrong and unfair. It violates the principle of equality before the law when a large group of citizens is exempted, on



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the basis of their religious affiliation, from a burden that everyone else must bear. This creates resentment, undermines social cohesion, and massively distorts incentives. From an economic perspective, exempting the ultra-Orthodox from military service is problematic in two ways: First, it places a disproportionate burden on the working and service-providing population, leads to longer periods of reserve duty, and thereby weakens economic strength. Furthermore, because of this exemption, many members of the ultra-Orthodox community remain outside the regular labor market.

A society in which a growing proportion of the population neither serves nor participates fully in economic life weakens its own long-term viability. Religious beliefs deserve respect as long as they do not infringe on the rights of others. But the right to freedom of conscience does not mean the right to make others foot the bill for one's own security. Anyone who lives in Israel and benefits from its protection should make a fair contribution—in whatever form that may take.

Is it true that a simple pencil is one of your favorite teaching tools?

Milton Friedman: Yes, and many students found that strange at first. I held up an ordinary pencil and asked, “Which one of you could make this pencil all by yourself?” No one could. The wood, the graphite, the metal, and the varnish come from different parts of the world. Millions of people work together without ever having met each other. That is precisely the strength of a free market economy. A pencil often explains capitalism better than a thick textbook.

You're known as a passionate teacher. Why is that so important to you?

Milton Friedman: Because good ideas only make a difference when people understand them. I never wrote just for professors. That's why I wrote books for a broad audience and later even produced a television series. Some scholars sought, above all, the recognition of their colleagues. I wanted a taxi driver, a saleswoman, or an entrepreneur to be able to understand my ideas just as well as an economist.

Your wife, Rose, is also your closest scientific collaborator. Together, you titled your autobiography **Two Lucky People**. Why?

Milton Friedman: Because we were both, in fact, very fortunate. Not because everything just fell into our laps—quite the opposite. Our parents were immigrants; we went through hard times and had to work hard. For us, happiness meant



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something else: We were able to live in a free society, pursue our interests, and shape our own lives. Rose was far more than just my wife. She was my sharpest critic, my best conversation partner, and often the first to spot a flaw in my reasoning. Many ideas that later became associated with my name arose from our long conversations at the dinner table or on walks. In **Two Lucky People**, we write, in essence, that the greatest happiness lay not in success, but in the freedom to follow one’s own convictions. I couldn’t have wished for a better partner.

You have a reputation for being able to explain complicated concepts in simple terms. Is that intentional?

Milton Friedman: Absolutely. If you can’t explain something simply, you usually haven’t fully understood it yourself yet. Economics isn’t a secret science. It’s about people, their decisions, and the consequences of those decisions. That’s why I prefer to use examples from everyday life rather than complicated formulas. Everyone understands a pencil, a loaf of bread, or a small family business.

One of your most famous quotes is: “There is no such thing as a free lunch,” which essentially means, “Nothing comes for free.” Why has this quote stayed with you to this day?

Milton Friedman: Because it expresses a simple truth. People love the word “free.” Economists know that, in reality, that word hardly ever exists. Every decision has a cost, even if someone else pays it. Maybe that’s why I became an economist. As the son of a small shop owner, I learned early on that at the end of the day, the books had to balance. You can put off paying bills, but you can’t make them disappear. That hasn’t changed to this day.

What message would you like to leave people with?

Milton Friedman: Freedom can never be taken for granted. Every generation must defend it anew—not only against dictatorships, but also against the well-meaning temptation to leave more and more decisions to the government. Trust people a little more and politics a little less. That was my conviction fifty years ago. And it would still be my conviction today.

Remark: This interview was conducted with the help of AI. It is based on statements by Milton Friedman and documentation about him. In the coming weeks, we will conduct AI-assisted conversations with other prominent figures from a wide variety



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of fields—politics, religion, science, and culture—who were significant to Judaism and Israel, in order to introduce them and their ideas to today's audience. We have previously conducted such interviews with the founder of modern Zionism, [Chaim Weizmann](#), Israel's first president, [David Ben-Gurion, Israel's first prime minister](#), Israel's only [female Prime Minister, Golda Meir](#), [Anwar Sadat, the Egyptian president](#), who traveled to Jerusalem in 1977 to make peace with Israel, [Moses, who led the Jewish people from slavery in Egypt to freedom](#), with the one who lived in the 12th and 13th centuries [the great Jewish scholar Maimonides](#), with whom [former Chief Rabbi of the United Kingdom, Lord Jonathan Sacks](#), [Sigmund Freud, the founder of psychoanalysis](#), [Albert Einstein, the founder of the theory of relativity](#), [Robert Oppenheimer](#), the "father of the atomic bomb," the Hollywood icon and inventor [Hedy Lamarr](#) and the entrepreneur [Estée Lauder](#).