

“Barking Cats”

by Milton Friedman

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In a recent column (*Newsweek*, Jan. 8), I pointed out that approval of drugs by the Food and Drug Administration delays and prevents the introduction of useful as well as harmful drugs. After giving reasons why the adverse effects could be expected to be far more serious than the beneficial effects, I summarized a fascinating study by Prof. Sam Peltzman of UCLA of experience before and after 1962, when standards were stiffened. His study decisively confirmed the expectation that the bad effects would much outweigh the good.

The column evoked letters from a number of persons in pharmaceutical work offering tales of woe to confirm my allegation that the FDA was indeed “Frustrating Drug Advancement,” as I titled the column. But most also said something like, “In contrast to your opinion, I do not believe that the FDA should be abolished, but I do believe that its power should be” changed in such and such a way—to quote from a typical letter.

I replied as follows: “What would you think of someone who said, ‘I would like to have a cat, provided it barked’? Yet your statement that you favor an FDA provided it behaves as you believe desirable is precisely equivalent. The biological laws that specify the characteristics of cats are no more rigid than the political laws that specify the behavior of governmental agencies once they are established. The way the FDA now behaves, and the adverse consequences, are not an accident, not a result of some easily corrected human mistake, but a consequence of its constitution in precisely the same way that a meow is related to the constitution of a cat. As a natural scientist, you recognize that you cannot assign characteristics at will to chemical and biological entities, cannot demand that cats bark or water burn. Why do you suppose that the situation is different in the social sciences?”

The error of supposing that the behavior of social organisms can be shaped at will is widespread. It is the fundamental error of most so-called reformers. It explains why they so often believe that the fault lies in the man, not the “system,” that the way to solve problems is to “throw the rascals out” and put well-meaning people in charge. It explains why their reforms, when ostensibly achieved, so often go astray.

The harm done by the FDA does not result from defects in the men in charge—unless it be a defect to be human. Most are and have been able, devoted and public-spirited civil servants. What reformers so often fail to recognize is that social, political and economic pressures determine the behavior of the men supposedly in charge of a governmental agency to a far greater extent than they determine its behavior. No doubt there are exceptions, but they are exceedingly rare—about as rare as barking cats.

Ralph Nader is the most prominent current example of such a reformer. In a series of valuable reports, he and his associates have confirmed dramatically what earlier studies had demonstrated less dramatically—that governmental agencies established to regulate an industry in order to protect consumers typically end up as instruments of the industry they are supposed to regulate,

enabling the industry to protect monopoly positions and to exploit the consumer more effectively. These effects have probably been documented most fully for the ICC [Interstate Commerce Commission], but what is true of the ICC is true also of the FCC [Federal Communications Commission], the FTC [Federal Trade Commission], the SEC [Securities and Exchange Commission] and so on through the list of alphabetical monstrosities preying on consumers from their privileged sanctuaries in Washington.

You might expect Nader and his associates to draw the obvious conclusion that there is something innate in the political process that produces this result; that, imperfect as it is, the market does a better job of protecting the consumer than the political process. But no, their conclusion is very different: establish stronger agencies instructed more explicitly and at greater length to do good and put people like us in charge, and all will be well. Cats will bark.

This failure to grasp the inner logic of the political process means that, despite Nader's excellent intentions, despite his admirable singleness of purpose, despite his dedication and despite his high repute, he has done and will continue to do great harm to the very consumers he seeks to aid.

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