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# The Institute of Economic Affairs

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Professor F.A. Hayek,  
 Hotel Edelweiss,  
 Obergurgl,  
 Tyrol, Austria.

28 August 1975

*Dear Professor Hayek*

Thank you for your recent card on the depreciation of the £ since nationalisation of the Bank of England. I have put one of our young men on to the source and he has come up with the following: WHO WOULD HAVE DARED TO PREDICT THAT 29 YEARS AFTER THE NATIONALISATION OF THE BANK OF ENGLAND, THE POUND WOULD HAVE LOST 15 PER CENT OF ITS PURCHASING POWER? <sup>OVER</sup>

May I take this opportunity, especially since I understand you were good enough to make some kind remarks about the Institute in Canada recently, of correcting what may be a misapprehension? When you were here some months ago, you praised the Institute as being successful in publishing simplified versions of liberal economic writing. That is part of our work, but I think our main purpose has been to apply to current and coming economic problems and policies the best economic thinking, which in our opinion comes from economists who appreciate micro-economic analysis without ignoring macro-economic aspects where they are relevant.

In this work we have certainly sponsored economists in new applications of economic theory, and I think we can claim even to have pioneered studies into neglected subjects. In the past 12 or more years we have alighted on topics that were thought unimportant or overlooked by economists, probably because we used micro-economic analysis.

I am sure you will not mind my saying this. Our critics have long been disposed to denigrate or underestimate our work, and perhaps our friends may like to know the work we have done that has, especially in recent years, brought us increasing, if belated, recognition.

*Best regards yours sincerely  
 Arthur Seldon*

Arthur Seldon