

## The Institute of Economic Affairs

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9 October 1980

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Hobart Paper Trade Unions Cause the Unemployment of the 80s

I now enclose galleys of the Hobart Paper so far - that is, of the considerably reworded and here and there simplified and amplified texts of the 1978 broadcasts.

I am very anxious that the argument shall be pristine so that no reader - from the humblest student through the most mixed-up economist to Keith Joseph and Margaret Thatcher - shall be left uncertain about the shattering implications of the argument. You are, of course, asking for a revolution in political attitudes, in trade union law, and in the working of the British economy; and I believe a revolution is what we shall have to endure. So in simplifying your exposition, and adding examples to make the argument as clear as possible, I may by an excess of zeal have said more than you would wish. In that event I shall quite understand if you revise the galley. I would, however, add that I think I have done no more than read into your broadcast texts (which were sometimes very elliptical and Germanic in sentence structure!) what I thought you intended to argue and I have added examples to ram the truth down the throats of unwilling swallowers.

I have also left room for a new Part I, which could be no more than two or three pages, for a brief reference to the unemployment of the 1930s and the ways in which it differs from the unemployment of the 1980s. A good deal of harm is being done by people who would wish to stampede the Government into reflation, and I think this text needs to take that bull by the horns.

I have also left room for a new Part V, which you agreed to add when you saw the galleys. This Part V could also be no more than four or five pages - or as much as you like. But, to make the text up-to-date, I think the argument must be applied to 1980 and the 1980s.

In particular it should absorb the new Employment Act,
... 1980 which, for your convenience, I summarise on the attached
... page and also a Green Paper in which the Government indicates
its further intentions.\* The opinion from on high is that the
/that 1980 Act is much too weak and/much stronger measures will be
required. Your strong analysis will, therefore, fall on
open ears, and we should get widespread attention in the
Press and elsewhere when we publish.

Kiridest regards.

vigour again.

I hope you we in full Yours wer Armen

Arthur Seldon

The Green Paper is to be published in November, but I enclose a newspaper cutting which indicates its expected contents. The Minister (James Prior) has said in the last few days that it would discuss the immunities that go back to the 1906 Act.

P.S. The Road to Serfdom! You will be amused to see the leading article (enclosed) with this title in the Sunday Times of last Sunday.

P.S. If you can let us have the whole back in ten days or so, we shall be able to publish the Paper in six or seven weeks.