



The Institute of Economic Affairs

Registered No. 755502 England

Limited by Guarantee

Registered Office:

2 LORD NORTH STREET WESTMINSTER SW1P 3LB

Telephone: 01-799 3745

General Director: Ralph Harris Editorial Director: Arthur Seldon

Deputy Director: John B. Wood

Managing Trustees

Professor G. C. Allen

Lord Cole

Professor Stanley Dennison

A. G. A. Fisher

Nigel Vinson

Advisory Council

Professor Armen A. Alchian

Professor J. M. Buchanan

Colin Clark

Professor R. H. Coase

Professor R. F. Henderson

Graham Hutton

Professor E. Victor Morgan

Professor Alan T. Peacock

F. G. Pannance

G. J. Ponsoby

Professor A. R. Prest

Professor H. B. Rose

George Schwartz

Henry Smith

Professor A. A. Walters

Professor Jack Wiseman

Professor B. S. Yamey

Professor F. A. Hayek,

c/o Liberty Fund Inc.,

3520 Washington Blvd.,

Indianapolis, Ind.

USA.

14 April 1975

Dear Professor Hayek

I enclose a draft of the Editorial Preface the purpose of which is to explain the importance of the Paper, especially for the many newcomers to economics and non-economists who increasingly read our publications.

I have tried to explain the most important aspects of the argument because we are especially anxious that it will be understood by non-economists, and even by newcomers to economics at British universities, who may not know much of your work.

May I ask you therefore to be kind enough to read the Preface fairly carefully and tell me if I have gone wrong in interpreting you. I have referred to Friedman because many of our readers will have read two recent IEA Papers to which he has contributed and will shortly be reading another one in which he discusses the Phillips Curve and the relationship between inflation and unemployment. I have tried to say that although there are differences between the Friedmanite and the Hayekian approaches there is the important common ground that both emphasise the need for reforms in the labour market and that monetary measures cannot by themselves remove unemployment.

We hope to have galley proofs of the lectures in a few weeks - around mid-May - and I will send them to Menlo Park. We have now heard from Mr. Ramel who has given permission for us to use the Nobel Memorial lecture but reserves the copyright to the Nobel Foundation.

You will see that since we are using Full Employment at Any Price? as the title of the Paper as a whole, I am re-instating Inflation the Mis-Direction of Labour and Unemployment as the title of the Italian lecture (Luigi Einaudi).

*Kind regards
Yours sincerely
Arthur Seldon*

Arthur Seldon