

CONFIDENTIAL

Hotel Edelweiss  
A-6456 Obergurgl  
Tyrol, Austria

September 7, 1975

Dear Seldon,

Thank you for your letter of 28 August.

I should be very sorry indeed if I should ever have given the impression that I regard IEA as a mere popularizing propaganda institution. Indeed my constant difficulty when talking formally or informally about it is not to ~~xxxxxxx~~ offend old friends like Leonard Read by saying too plainly how infinitely superior I regard it compared with such propaganda efforts as the Irvington setup which aims essentially at providing better arguments to the already converted - a meritorious but to me neither very interesting nor very effective effort. What I admire IEA for is exactly for sponsoring and doing original work of great importance, and in private conversations I have said again and again almost in the words what you say in your letter. I am sorry if I have never said this ~~xxx~~ to you since I am also fully aware that the scientific side of the work of the Institute is mainly your work - or, more correctly, due to your inspiration.

If I marked this letter "confidential" that need not restrict its circulation within the Institute, and I should in fact like it to be seen by its members, but for the reasons mentioned in the opening sentences, should not like it to go beyond that circle.

With kind regards,  
cordially yours,

F. A. Hayek



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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