

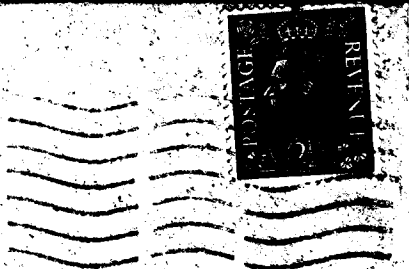
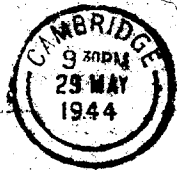
OLD CAST HOUSE,  
TRINITY LANE  
CAMBRIDGE.

29/5/44

My dear Harrod,

I don't think there is one among the various letters I have received about my book that has given me more pleasure than yours - by its kindness as much as by its frankness. Though I am probably less optimistic than you are about the short-term influence of the economists, in a longer perspective the fact that the majority of economists seem to be in substantial agreement is very important and <sup>much</sup> more than I hoped. If it does no more than provide a basis of a few agreed very general principles it will have been very well worth doing.

Your historical excursion is very helpful to me in many ways, though you much exaggerate the influence of Prices and Production. I of course still disagree with Keynes (whom as a man I admire as much as anyone) on essential theoretical points which are very relevant to future employment policy; and it still



R. F. Harrod Esq.

Christ Church

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F. A. von Hayek

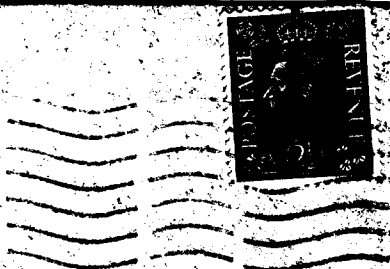
seems to me that the outlook of most  
of you is strongly biased by the unique experience of  
1925-9 (just as mine is likely to be biased by the experience  
of a major inflation!) and that it is very misleading  
to apply the lessons of a period of artificial overvaluation  
of a currency to the problem of choice between fixed  
and variable exchange rates.

But I must not try to draw up a catalogue of dis-  
agreements. Except for some of the more extreme Keynesians  
(and Keynes occasionally) it seems that on the problems  
of policy fairly far-reaching agreement can now be  
reached. At least as far as I can judge from the  
newspaper reports, about the White Paper on Unemployment  
(the original has not yet reached Cambridge!) it seems  
on the whole a document we should all be able to support,  
though we may expect different measures of success.

Yours very sincerely,

F. A. Hayek

P.S. If you have any further corrections noted in your copy of my  
book, I should be very grateful for them, as they might still be in time  
for the American edition.



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