Lunching for Liberty and the Structural Transformation of a Public Sphere: Some Reflections on Britain’s Institute of Economic Affairs

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1. Prologue

In 1985, I worked as Director of Studies at the Centre for Policy Studies in London. This was a think-tank, which had originally been set up by Sir Keith Joseph, and with which Mrs Thatcher had a strong association. When I worked there, Mrs Thatcher was Prime Minister. This had the effect of giving the CPS, among those who did not know better, a significance that it did not deserve. While I was there, one of my tasks was to liaise with ‘special advisers’, of whom there was typically only one in each government department, to discuss with them problems and issues on which it might be of interest if the CPS undertook some work: when I arrived I was given their phone numbers. I also had the occasion to visit the 10 Downing Street Policy Unit a couple of times, and if I recall correctly, it was during the course of one such visit, when I was talking with David Willetts, that he said something along the lines that on policy measures, we tend to think: what would the IEA’s approach be?

While I think that it would be a mistake to over-rate the influence that a ‘think tank’ can have on public policy, this certainly poses some questions about the Institute of Economic Affairs’ history and how it came to make the impression that it did; not least because it initially had a hard time, even among people whom one would think would be its natural supporters. In the first part of this paper, I will argue that this took place as a consequence of the creation of a particular kind of ‘public sphere’ at the Westminster offices of the IEA. There, they were able to take advantage of their physical location – including proximity to Parliament and Fleet Street – and the kind of ethos that operated in British politics at the time, to create a forum within which they could introduce their ideas over lunch to a wide range of key figures in British politics, journalism, industry and commerce. My first thesis will, indeed, be that ‘lunching for liberty’ played a key role in the way in which the IEA gained a hearing for its ideas – not least among people who were not necessarily very sympathetic towards them. My suggestion will be that this played a key role that made it possible for the IEA’s publications then to have the kind of impact that they did.

My underlying suggestion, here, will be that, if one is concerned with the impact of ideas, it is a mistake to pay attention just to the ideas – and even to them in relation to a
particular problematic (although, clearly, the existence of ‘stagflation’, and the problems for more usual approaches to public policy which it posed, offered the IEA a particular opportunity).\textsuperscript{5} Rather, one needs to consider, also, how it was that the ideas – and those who are advancing them – were able to get a hearing, and to be taken seriously. One needs, thus, to be concerned with the character of the public sphere or spheres, and with the kinds of ways in which ideas may be transmitted.\textsuperscript{6}

The problem, here, may also be compared to that discussed in Deborah Tannen’s \textit{Talking from 9 to 5}.\textsuperscript{7} In this book, in the course of a wide-ranging discussion of problems of different communicative styles between men and women, she considers the problem that, in board-room discussions, ideas suggested by women are often observed not to be taken up, until essentially the same idea is raised, later, by a man. The issue, however, is a much wider one. The liberal tradition – from Kant through Mill – has typically assumed that a public sphere is constituted simply by the articulation of arguments and exchange of opinions (e.g. in books and journals, as well as in conversations). In fact, actual public spheres seem to have been much more fragmented and pluralistic. The issue, here, is not simply one of exclusion on the basis of class and gender: the issue is much more complex. I have discussed some of these problems elsewhere.\textsuperscript{8} But suffice it here to say that the question of how ‘public spheres’ are organized, and who pays attention to what is said by whom is a complex matter, and is not adequately treated just in terms of questions of power. Rather, it depends on a range of issues, and there is every reason to suppose that new problems and opportunities may arise on an ongoing basis. It would not be useful for me to try to say more here in general terms; but that there is an issue, and the way in which it was addressed by the IEA, seem to me suggestive.

Let me say something about the IEA.

2. The Institute of Economic Affairs

The IEA is a public policy institute, founded in the 1950s, dedicated to a free-market approach to policy issues, although taking a non-party-political stance. Initially it was very much on the fringes of things, receiving probably the least of a hearing from the left of the Conservative Party.

A lot has been written about the founding of the IEA.\textsuperscript{9} Briefly, it originated in advice given to Antony Fisher, a businessman who had read and had been impressed by the \textit{Readers Digest} version of Hayek’s \textit{Road to Serfdom}.\textsuperscript{10} Fisher went to see Hayek, asked for his advice as to what he should do, and Hayek advised him not to go into politics, but to start a public policy institute. This, in due course, he was able to do – on the strength of his flourishing business, Buxted Chickens, the first of the British battery hen companies. The liberty of Britain, friends of the IEA might have to admit, had a little too much for comfort to do with the imprisonment of hens.

I will not say anything about the earliest history of the IEA, other than that Fisher, and those initially associated with him made what proved to be an inspired choice in terms of people to run it. The first appointment was Ralph Harris. While he came from a
working-class background, he was educated at Cambridge, and was subsequently a lecturer at St Andrews, and then a journalist. He contested two elections in Scotland for the Unionists, and played a key role as the ‘front man’ for the IEA. Harris developed a large network of personal contacts, in business, in politics, and with people in – and on the fringes of – the Conservative Party. The other key appointment, initially part-time, was of Arthur Seldon. He was an LSE-educated economist, one-time assistant of Ronald Coase, who then worked as a professional economist for a brewers’ trade association.

Harris and Seldon made an inspired team (albeit one that was not without certain tensions). They were very different people. Harris was suave, an operator, an Anglican and conservative in his underlying attitudes and in his politics. He worked largely by personal contact, and telephone. There is relatively very little Harris-derived correspondence in the IEA archive (although there is a large quantity of speeches and journalistic material). Seldon, by way of contrast, was a radical. He made much of his early contacts with figures – such as the economist Evan Durbin11 – who played an important role in the Labour Party. He was able to relate well to, and to enjoy good personal relations with, members of the Labour Party of left-wing views. And he often predicted, and did what he could to encourage, the re-alignment of left-wing politics, favouring the emergence of a group which brought together Liberals and Labour radicals, into group whose economic policies would be market-based, and whose social policies would be strongly anti-paternalistic. (He was, for example, involved – with Robert Sidelsky and Vernon Bogdanor – in giving advice to Desmond Donnelly in his attempt to launch such a party.12) Seldon was also an indefatigable writer. He edited, re-wrote, and conducted voluminous correspondence. He was in contact with academics, politicians and public servants in the UK and overseas (notably in Australia), and wrote amazing quantities of letters to a vast range of people. He, thus, corresponded not only with many economists about policy issues and publications, but also with people who were engaged, in practical ways, in areas with which the IEA’s policy studies dealt. He was also an assiduous reader of newspapers, and would often write to make contact with people who seemed sympathetic towards the IEA’s approach, on the basis of a newspaper article or letter. He – alongside his wife – was engaged in various campaigns (notably, on issues to do with education vouchers). And they also had a series of remarkable gatherings at their house near Sevenoaks, at which they brought together a wide range of people who were friends of theirs, but not necessarily in contact with one another, and whom they thought might share something in common.

What this meant, in practical terms, was that the IEA was able to offer a highly distinctive public face. Harris, on the one hand, was very much the free-market conservative, and a person who could trade on his Cambridge background and his party connections, and who stressed the role played in his thought by his Christian beliefs. Seldon was genuinely a radical and an anti-paternalist. He was in some ways an academic, but also a skilled writer, pamphleteer and controversialist.

But what did they do, and how was the IEA in the end so influential?
I am not a historian of the IEA: the archives, while voluminous, are in some ways limited in their scope, and while I benefited from talking informally with Harris, Seldon and others, the time that they could spend with me was limited, and my concerns were very much with selected material in the archive. I would, however, like to comment on a few features of the IEA that struck me.

First, it was, initially, very hard work. Their contacts were limited, and the intellectual climate was very much against them. Even people whom one would have expected to be sympathetic, and who eventually became friends of theirs, such as John Jewkes, were initially uncooperative. (The archives contain a letter from Harris to Jewkes, very much by way of a cold call, and a response from Jewkes, in which he simply rejects Harris’s invitation to contribute to their initial idea of a journal.\textsuperscript{13}) Initial IEA publications included work on advertising – which received encouragement from a professional organization operating in that field – and a commissioned study by Enoch Powell, on saving. There is a story to this.\textsuperscript{14} Among their initial sources of funds was an association of industrialists who favoured ‘free enterprise’. They were interested in Powell, and wished to assist him. They did not wish to give him money directly, but, in effect, channelled funds through Harris, who was able to commission him to write for the IEA at a particularly generous rate.\textsuperscript{15} In Powell, they found someone close to their economic ideas. He seems to have been particularly close to Harris, and they were frequently in contact, as he lived close to the premises that they occupied in Eaton Square, not far from Victoria Station. He was someone upon whom they drew for a variety of purposes – the archives containing, for example, a referee’s report by Powell upon a paper by Milton Friedman (and what was, in effect, a continuing exchange between Powell and Friedman, on economic topics, as a result). I should add that the Powell of whom I am talking is the earlier Powell the free-marketeer, not the Powell of the later speech about immigration from Commonwealth countries and a 'river of blood':\textsuperscript{16} there was strong dissent about Powell's involvement with the IEA on the part of people who were the IEA's senior advisers, when he made that speech, and, as far as I know, after that, he had no, or only very limited, contacts with them.

Gradually, the IEA was able to draw together a body of economists, largely within academia, but also people who were working professionally, or were in the City. They were a source of publications and of advice. Those who were sympathetic might well offer them briefings as to who, in the academic world, could write for them - Harry Johnson, for example, set out a quite detailed list of people and possible topics. One useful thing was Seldon’s interest in the (recent) history of economic thought. Not only did he know, from his student and later days at L.S.E., many people who were significant players in professional economics. But he also had an interest in some of the people who had made significant contributions to economics during the middle of the Twentieth Century, and corresponded with others about them and their work. (E.g., Arnold Plant and Duncan Black.) All this meant that the IEA had access to a range of authors, upon whom they could draw selectively (i.e. they would typically draw upon people in those areas in which their work fitted the approach of the IEA). Further, while what IEA published was often controversial, they were able to make use of established authors, and referees of high quality. The authors, in turn, could benefit from exposure to a wider
audience than they might otherwise have had access to (on which see the final section of the present paper), and also from Seldon’s effective editing and talent for simplification.

Seldon was a brilliant editor, in the sense that he demanded a high degree of clarity of his writers, often re-writing their material. (There is some correspondence in which writers take exception to this.) He had, though, an advantage that economics, at the time at which he was writing, was capable of popularization in a way in which it is, perhaps, not today. (In addition, what was being written was then accessible to Seldon in a way in which it would not be later: economics has become more abstruse over the years, and increasingly mathematical, and there are signs that, as Seldon neared retirement, some of what was being produced in the discipline was no longer easily accessible to him.)

There were certain distinctive features to their approach: Seldon was committed to microeconomic analysis, and had a soft spot for the ‘Austrian’ school, and for anything that seemed to continue the kind of approach with which he had been familiar while at the L.S.E. This might mean, for example, that he would publish work such as that by Ludwig Lachmann – in the face of hostile appraisal from established referees. 17

Given Seldon’s leanings, and his hostility to a macroeconomic approach that was not grounded in microeconomic analysis, there was some irony in the fact that the IEA’s most dramatic impact probably came by way of ‘monetarism’. They were a particularly significant outlet for Milton Friedman’s work, and attracted support from British ‘monetarists’ too. (Indeed, it was interesting that there was some resistance to this, among the older generation of their British contributors, Paish, for example, exhibiting some real hostility towards this kind of approach.) In addition, on the macroeconomic side, Patrick Minford became one of the academic mainstays of the IEA.

Four other issues seem to me to have been significant.

The first was the Mont Pelerin Society. This organization, set up by Hayek after the Second World War, was for a period particularly important as a point of contact with classical liberal economists, from the European continent and, especially, the US. They provided a particularly useful source of writers. What seems to me to have been of especial importance was that this made available to the IEA a number of top-flight American economists who were ideologically sympathetic, and were willing to write semi-popular pieces for them. For example, American contributors to IEA publications included James Buchanan, Gordon Tullock, Milton Friedman and George Stigler, while Gary Becker acted as a referee.

The second was the way in which the activities of the IEA were driven by the concerns of Seldon and Harris, and, at times, came out of their personal lives. Their venture into the advocacy of the use of markets for the provision of blood, for example, was sparked off by a personal experience of a shortage of blood, when Seldon was in a nursing home. More generally, IEA publications were typically thought up in-house, or through a process of dialogue with potential contributors: they did not like to receive completed manuscripts, unsolicited. It was also striking the extent to which the IEA commissioned research of its own. The ‘Choice in Welfare’ series, for example, made use of Mass
Observation (and of its successor organization), and there was much detailed discussion
between them and Seldon as to how the IEA’s concern for pricing and relative
preferences in this field could be made operational and fully respectable from a public
opinion sampling perspective. They also had quite a high-powered research group,
looking into the details of different 'negative income tax' schemes offering the poor a
guaranteed income, and, for example, corresponding with Milton Friedman about
practical issues concerning how this might relate to taxation.

The third relates to the significance of personal contacts with politicians - and to some of
their limits. I will refer to two particular figures, here.

The first is Lord Howe. The IEA's contacts with him seem to have grown up in two ways.
There was clearly a lot of common ground - in the sense that Howe had an ideological
sympathy with them and a commitment - through the Bow Group - to an intellectual
approach to Conservatism. There were, however, personal contacts with each of them.
He was involved, with Seldon, in a group defending market-based approaches within
medicine. While he was involved with Harris when he was retained as a Barrister by a
group of parents, among whom Harris played a leading role, in Enfield, trying to defend
grammar schools from incorporation into Comprehensive Schools. All this, over time,
played a role, for example, by way of Howe making suggestions to Harris as to people
who might be tapped for funds, or his willingness to preside at IEA functions.

The second is Sir Keith Joseph. I have not been able to track the history of IEA's
interactions with Sir Keith over time. But they were significant. For example, Seldon
corresponded with him, at length, about policy issues, when Joseph had junior ministerial
responsibilities in the Department of Health. Later, Harris had significant input into his
plans to set up the Centre for Policy Studies. Clearly, he was close to, and appreciative
of, the IEA. This, however, makes one thing of particular significance: Seldon's failure
to get him to adopt a vouchers policy, in education.

This had been a pet concern of Seldon's for a long time, and his wife had headed up a
lobby group concerned with the idea. When Joseph was Minister of Education, they
seemed to be in an ideal position: the Minister was, by this time, an old friend, and was
ideologically sympathetic. Seldon also had links within the 10 Downing Street Policy
Unit, and also with the (political) Special Adviser within the Ministry, Stuart Sexton, who
later headed up an education unit at the IEA. Yet they got nowhere. (Indeed, the result
was worse than that. Among Seldon's files there are memos of discussions that he had
with key players, when he was pressing the idea, including with senior civil servants.
Among them, is a memo from Stuart Sexton to the effect that immediately after a meeting
with Seldon, Sir Keith said to him: vouchers are completely off the agenda!).

What went wrong? My impression was that there were two elements to the story. The
first was one of politics: it seemed as if the government, while sympathetic enough to the
idea, could not see it as a political winner. Any such move would involve a lot of change,
and - even if it were successful - would obviously involve all kinds of initial problems,
and things that were politically unappealing. (E.g. that some schools would not work,
that there would be politically problematic stories about subsidies going to the wealthy to attend private schools, etc, and possible problems about parents using vouchers to send their children to schools run by religious extremists. At the same time, the government did act in the area of health, albeit with not all that much radicalism, in an area that would, similarly, be expected to generate political problems.

The second problem looked to me one of significant interests. Typically, teachers unions have resisted moves to voucher systems, wherever they have been suggested. (I was struck by the fact that, a few years ago, while I was in California, there was a big battle involving teachers unions in a debate about vouchers relating to a referendum initiative there.) In the British case, they clearly had strong backing from senior figures in the Department of Education, itself: i.e. they were not part of the kind of ‘public sphere’ centred round the IEA, the character of which I will shortly describe. There would also seem to be no way in which they might gain, financially, from such a move in a manner that paralleled payoffs to the different interests involved, from certain kinds of privatization, and it was also not clear that there were powerful interests on the IEA’s side - their case was, very much, driven by what seemed to them an attractive idea.

The third problem - which seemed to me somewhat dubious - was that stress was placed upon practical difficulties of voucher schemes. Clearly, there were not working models to point to, so it was always possible to raise questions about: how might X be done. But the kinds of issues that were raised - e.g. how does one handle changes in popularity of schools - are not all that intellectually demanding to resolve; and are, indeed, the very kinds of problems the voucher schemes were directed towards solving. Most obviously, because a privatized educational sector could easily lead to the take-over of existing poorly managed schools by successful teams. In addition, it is striking, for example, how educational entrepreneurs like Sir Cyril Taylor were able to make innovative use of space for teaching purposes – for example, hiring space in the University of London Students Union, during the long university summer vacation, for use by overseas students.

All this, however, seemed to me to indicate certain practical limits to the role that an organization like the IEA might have in the formation of policy, with the case of vouchers, a particularly interesting study in their limitations.

The fourth related to some features specific to the IEA, which merit treatment in their own right: the theme to which I will refer as ‘Lunching for Liberty’.

3. Lunching for Liberty

When looking at the IEA archives, one point which comes across in a striking manner is the degree of personal contact that the key figures at the IEA developed with people who were significant players in social and political affairs in the UK.

First, it is impressive the degree to which they developed close relationships with journalists, including the editors of the main London newspapers, and some presenters of news material on television. They lunched regularly at the IEA’s premises, close to the
Houses of Parliament. The groups involved in these lunches were typically diverse, and the conversation seemed to be relished, even by people whose political views were not close to those of Harris and Seldon. The fact that there were these personal contacts, however, meant that it was then possible to take these people to task, if the IEA’s publications were not reviewed, or if they seemed to be getting tough treatment. Not all of their interchanges were of quite this character. Their relations with, say, the Spectator (a weekly conservative-orientated journal) when its editor was Iain MacLeod were not particularly friendly. It is striking, say, how much friendlier the New Statesman (a left-leaning weekly journal) was later to become, than MacLeod ever was. (It is striking the not too pleasant way in which MacLeod thanked Harris for a donation to his local party funds – MacLeod being Harris’s M.P.21) The IEA would also, from time to time, threaten legal action of to report publications to the Press Council, if they felt seriously aggrieved about them. New Society (a social-work oriented journal on the moderate left of the political spectrum) did not fare too well on this score.

Second, at those luncheons there would also be people from the world of business and the City. Over time, these were often significant figures – e.g. the Chairmen or Managing Directors of large public companies. In part, they were invited so that they could later be tapped for donations. But in part, they were there for the purposes of conversation: the IEA’s influence seems to me not just a matter of what it published, but also of conversations with key players over the years. What is more, these figures were often involved with the IEA not just financially, but also by way of being asked, say, to review the MSS of IEA publications which related to their fields of operation. Thus, an academic author might well find that, in addition to getting critical feedback from other academics, they would also receive comments from those people operating in the fields about which they were writing, either directly, or by way of those figures asking their own in-house experts to give an appraisal of the work.

Third, there were MPs. The IEA’s premises, in Lord North Street, were only a short walk from the Houses of Parliament; and it was a walk that was taken, quite frequently, by MPs. They did this in a variety of roles – they might ask to discuss issues with Harris and Seldon. They might be invited to lunch, either with a group of other people, or on their own. Those who came were in no sense restricted to people sympathetic to the IEA, and included, over the years, a good number of MPs, and some people on the left of the Labour Party, such as Eric Heffer. In addition, invitees included some Trades Union leaders, and also Cabinet Ministers.

Fourth, there were academics: not only might they meet – say, with Seldon – to discuss plans for a publication. But most established IEA authors would frequently be invited to make up a group with the other kinds of people to whom I have referred above. In addition, luncheon and dinner meetings might include other significant figures, too – from important players in charities, to the Duke of Edinburgh.

Some stray materials dating from the 1970s and 1980s, which document some of the lunchtime meetings that took place in their premises, over a few months, evidence all this,
powerfully.\textsuperscript{22} They recount some of the Lunches that Ralph Harris, Arthur Seldon and John Wood bravely endured for the cause of Liberty, during 1977 and 1980.

One sheet related to April 1977:\textsuperscript{23}

Here, a lunch for some Liberals was followed by tea for Jimmy Young (a ‘middle of the road’ disk jockey who also featured chatty interviews on his programmes) and Brian Griffiths (at that time an economist and IEA author, later to be head of Mrs Thatcher’s Number 10 Policy Unit) (the memo for the meeting was headed ‘pop tea’). Later that month there were luncheons for people from the \textit{Mirror} (a major, pro-Labour, popular newspaper chain), the \textit{News of The World} (the best-selling Sunday scandal-sheet), \textit{The Sun} (at that time edited by Larry Lamb, but not yet with pro-conservative views), Social Democrats, the BBC and the \textit{Express} (a conservative semi-popular paper), as well as a mixed group with educational concerns.

Another few sheets detail some further luncheon activities in 1980.

\begin{itemize}
\item Wednesday March 6th: two industrialists
\item Friday March 8th: two journalists
\item Wednesday March 13th: a group of industrialists, a financial journalist, and a representative of a charity
\item Wednesday 20th: the Prime Minister, her PPS and a former academic economist, then economic adviser to a banking group
\item Wednesday 27th: up to ten industrialists, bankers etc
\item April 3rd and 7th: two large groups of industrialists etc
\item April 8th: this entry is marked MPs, and is followed by Patrick Jenkin’s name; later visitors that month included William Whitelaw and Michael Heseltine
\end{itemize}

What is one to make of all of this?

My view of it, is that one might usefully consider it in two different ways.

The first is to look at it as the development, over time, of the IEA as a distinctive forum, but one which was a kind of extension of the face-to-face character of British politics at that time. What I have in mind is this. In London, key decision-takers were highly concentrated. The most significant British institutions are based in London – the Civil Service; the Press; national politics (in what was then a highly unitary system) and the City of London. And the people who held key positions, over the relevant period, would typically have face-to-face relations, and be involved with other key people, by way of networks. In what was, over the relevant period, an almost exclusively male society,
there were all kinds of links. Many significant players would have gone to Public School together, or have been together at university (notably, at Oxford or Cambridge). Further, they would maintain close relationships by way of the membership of London Clubs. All this might give the appearance of a closed circle. But this was not really correct. For – or so it seemed to me – it was possible for people, whatever their personal background, if they came to positions of prominence in British institutions, to be invited into these circles, an invitation which they could take up, if they found it attractive. The IEA managed to create itself as a venue in this world; one to which people might have recourse, if they had an interest in lively discussions about public policy issues.

In this context, the fact that the IEA was putting out publications was of significance. But I suspect that what was most important, was the fact that it was a venue for conversations of the kind that I have described. This is for two reasons. On the one side, it allowed the IEA to enter into discussion, and to expose other people to the idea that there was a case for the kinds of ideas to which they were attached – for example, by way of getting them to meet their academic writers. Second, it created the kinds of face-to-face relationships that, I suspect, are significant in the transmission of ideas. It is possible for people to be swayed simply by the force of some argument that they come across. But, I suspect, we more typically require some social incentive to persuade us that something is, at least, to be taken seriously. The development of personal contacts of the kind that I have described meant, I suspect, that the IEA’s ideas (and thus their publications) started to be treated seriously, even by those who did not agree with them.

Indeed, it is striking that the IEA became influential, despite the fact that its views were never particularly popular, say, among academic economists. This is not to deny that they had interesting and highly accomplished writers, and could well feel that they had won key intellectual battles. But there was a sense in which (as the opposition to Mrs Thatcher’s policies by British academic economists indicated, and as a survey undertaken by the IEA itself was to show), their views did not command a high degree of agreement within the economic profession. While in other academic disciplines, such as political science, philosophy, history and sociology, those who shared their views were such a small group that they hardly rated at all. Indeed, it is odd that the kinds of things that influenced these few people hardly made any impact upon their colleagues, such that, in an odd sense, one might argue that it was Mrs Thatcher and Sir Keith Joseph’s espousal of, say, Hayek, which was responsible for intellectuals on the Left starting to read him – and eventually being influenced by him. (Compare, here, David Miller, Andrew Gamble and Raymond Plant; indeed, it is striking that the cases of Raymond Plant and Meghnad Desai show that one path to a Labour life peerage seems to be for a socialist academic to take a strong interest in Hayek!)

The second perspective that it is useful to consider is, I believe, that suggested by Habermas in *The Structural Transformation of the Public Sphere*. For there is an interesting parallel between the kind of reflective forum that Habermas discussed as forming in 18c London coffee houses, and what took place at the IEA. To be sure, there are also significant differences; notably, that the IEA was far from a neutral forum. But there seems to have been a rare quality to the discussions that took place there – one that
was relished by people who did not agree with the IEA’s views – to mark what they were able to achieve as something distinctive.

My first thesis is, thus, that if one wishes to understand how it was that the IEA made the kind of impact that it did, one needs to appreciate the key role played by ‘Lunching for Liberty’: by the involvement of Harris and Seldon in the creation of a distinctive kind of (closed) public forum, in their offices, in which there was a free – and pleasurable – exchange of views over long luncheons, with both food and wine served. In this setting, issues could be debated, but, crucially, Harris and Seldon were able to gain a hearing for (as distinct from agreement with) the policies that they favoured, and for the authors whom they published. What is striking, in this context, is the range of people involved – journalists, politicians, academics and also industrialists, financiers and those running nationalized industries.

All this clearly had a range of consequences. It meant that their ideas started to gain an audience – in the sense of people being willing to take them seriously – which it is not clear that the ideas would have had, on their own. It meant that networks were built up, so that academics could gain insights as to how things were seen by others – notably, those in journalism, politics and commerce – and could draw on information from them, and discover what arguments would have to be overcome, if what they were offering was to be telling. In addition, the involvement of people from industry and commerce - viewed not simply as people to be milked for funds, but as people with valuable perspectives to offer in the realm of ideas and public policy – must, in itself, have made it easier to raise funding from them.

It is, however, important to note the way in which all this depended on and was inter-related with, the character of British political and public affairs at the time. The IEA’s location – a short distance from the Houses of Parliament – was crucial. But so, also, was the way in which the British press was centred upon the Fleet Street area, and London was the key to so much that was going on. Beyond that, there was the key role played by a particular kind of masculine culture, to membership – among those who were influential – of various London Clubs, and, more generally, of a culture in which key decision-makers, those who shaped the attitudes of newspaper editorials, and so on, would meet regularly at lunches or dinners.25

However, and this leads to my second thesis, all this was to change.

4. The Structural Transformation of a Public Sphere

One striking feature of Habermas’s *Structural Transformation of the Public Sphere*, was his account of the effects of the democratization of society upon the kind of public sphere which he had described as having developed in London coffee houses. It is obvious enough that criticism might be made of the fact that, while, within them, there seems to have developed a form of critical reflection upon government and its activities which was not narrowly interest-based, those who participated in such discussions were simply merchants and those with literary interests. There was, that is to say, clearly exclusion on
the basis of both class and gender. Habermas tells the story of the way in which British society subsequently changed, and politics became much more democratic in its character. He also discusses the way in which this, rather than leading to a widening of an effective public sphere, led to its diminution. In particular, the new more democratic politics replaced discussion with demagoguery, and brought in an age of machine politics, in which votes were mobilized for the sake of benefits. It all leads up to interesting problems about how – if at all – one can overcome this and other problems about the scope of an effective public sphere.26

On the present occasion, however, my concern will be with the way in which social developments – in part of a democratizing character, in part, because of changes that took place in the way in which British society and its economy operated, of the very kind for which the IEA had been arguing.

The IEA is still very much in existence. But it seems to me that the kind of world that I have described (and in which I participated briefly, while I was Director of Studies at the Centre for Policy Studies, in 1985-6) is now no more. As in the case of the public sphere created in Habermas’s coffee houses, it has fallen victim to a certain kind of democratization.

First, there was a certain oddity about Thatcherite politics. For while Thatcher was enthusiastic about the IEA (although her personal contacts when in power with Harris and Seldon were very limited), her own supporters and associates did not fit into the world that I have described. While they might participate in luncheons at the IEA, they often did not come from the same social background as had characterized membership in the kinds of groups to which I have referred. And while it would have been open to them to become involved in it, it was not clear that they really chose to do so. Clearly, Clubs might be of great importance for business deals. But it was not clear that dialogue – indeed, dialogue that was socially constituted, such that one was obliged to listen to the other person’s point of view – was something in which they readily participated. (It is worth, say, for a somewhat extreme contrast, comparing Norman Tebbit's autobiography with that of more 'establishment' types.27)

Second, the IEA’s success led to problems. The first of these, was the fact that the IEA spawned a number of imitators, from various sides of the political spectrum (and also gave rise to some spin-offs). They put on meetings, launched publications and competed for attention. As a result, there was a sense in which they could not be the kind of locus of political discussion that the IEA had been, when it was – in this respect – almost the only game in town. Second, as Sir Samuel Brittan suggested to me when I talked with him about the iea, the IEA has in some ways become the victim of its own message. For while, in the days that I have been discussing, some of the most senior figures in industry and commerce might meet at the IEA over lunch, there is now much more pressure on them to spend their time running their companies effectively. While people from large companies do, still, attend IEA and other functions, they are more likely to be Corporate Affairs officers, than Chairmen and Managing Directors.28
When I gave an informal talk about this material at the IEA in 2013, it was stressed to me, there, in discussion that another aspect of this related to finance. In the days which I had described, it was relatively for those running companies to make donations to causes which they favoured. (The only complication which they faced, was the division between what was counted as charitable and what counted as a political donation.) This was certainly borne out by the impression – there was no more to it than that – that I received at the CPS, where it seemed to me as if the treasurer, himself a leading industrialist, was able to appeal to discretionary funds which were available for such purposes to whose in similar positions, and where I would imagine that he would, in turn, have been subject to similar appeals from them. Among the changes that took place, was that the making of any such donations now has to go through bureaucratic procedures, and is open to much more detailed scrutiny than it was in the past – thus making the obtaining of such funding much more difficult!29

Third, the ethos within which they were operating has changed. The clubby masculinity that characterized IEA activities – which was very much a feature of the wider society within which they were operating – is no longer the same. While what might be called the amateurism which characterized the whole sphere of public policy, has also changed. There is now a much higher degree of specialization, of (often narrow) professionalism, and of management of the news and of opinion. It seems to me that the objective conditions that allowed for the operation of the IEA as it was, have changed. This has opened up new opportunities. (The IEA’s subsequent Director, John Blundell, was able to do things in a very different way, and very effectively, drawing usefully upon his experience in the US – something that was very different to the UK, but which, today, seems to me much more relevant.)

At the same time, I feel a certain nostalgia for how things were. There was a sense in which, while very imperfect, there were actual exchanges of opinions, and dialogue, rather than the exchange of press releases. And as the rise to influence of the IEA showed, it was possible, in such circumstances, for ideas which were initially highly unpopular, to win both an audience and influence. Hayek wrote of the IEA:30

‘[The IEA] is indeed the most effective organization of its kind which I know. it does not preach only to the converted but endeavours and succeeds to persuade people who start from a very different point of view.’ Earlier, after being taken to task by Arthur Seldon for giving the impression that the IEA was concerned just with the publication of simplified versions of liberal ideas, Hayek wrote:31 ‘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 offend old friends like Leonard Read by saying too plainly how infinitely superior I regard it compared to such propaganda efforts as the Irvington set-up 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 to you since I am fully aware that the
The scientific side of the work of the Institute is mainly your work – or, more correctly, due to your inspiration."

The issue, however, was a tricky one. For there is a sense in which Hayek’s concerns – which were for the development of an intellectually powerful case for liberal ideas, and engagement with those who disagreed – faced the threat, on the one side from uncritical apologists for free-market ideas, and, on the other, from narrow academic specialization which did not allow for the legitimacy of broader partisanship and critical engagement, at all.32 It is, indeed, striking the degree to which the Mont Pelerin Society did not itself really accomplish what Hayek was hoping for (it is even more noticeable, now that the society has become dominated by various free-market think tanks). This was brought out as early as 1970, when John Davenport wrote to Hayek about a review of some of the work of R. D. Laing which had appeared in the New York Times book review, on February 22, 1970. Davenport expressed concern, just because, with this, and in work which brought together issues from Marx and Freud, one had material to which the approaches with which he was familiar did not offer a response. Hayek agreed, and responded:33

‘I very much wish one could discuss this sort of problem in the Mont Pelerin Society, but my efforts to expand its membership in the direction which would make it possible to do so have not been too successful. If I were younger and saw any possibility of raising funds for such a purpose I would try to bring together a smaller and much more informal group for such discussions. But at any rate at the moment I cannot seriously contemplate attempting this and must hope that some day some opportunity will offer.’

To return to the issue of social transformation, there is a sense in which all this is a matter of degree. In January 2001 I visited London, to undertake some discussions in connection with my research upon the IEA. In the course of this short trip, I was able, twice, to visit the House of Lords, where, albeit dealing with players from the era that I have been discussing – Lord Harris of High Cross, and Lord Howe – I felt that its spirit was still alive. And this was reinforced by the way in which, at a meeting with Sir Samuel Brittan in a reasonably priced restaurant in Westminster, just after we had discussed Seldon and Skidelsky’s role in Desmond Donnelly’s political party, who should happen to come across to talk with Brittan, than Lord Skidelsky himself (with whom I was able to talk briefly about Desmond Donnelly)! Be that as it may, it seems to me that an interesting problem has been posed, for the critical discussion of ideas, by developments in Britain in the Twentieth Century. One finds, for example, that early on (e.g. as documented in Jonathan Schneer’s brilliant Balfour Declaration34), policy ideas were introduced with little effective discussion at all. In later years, there seems to have been a remarkably effective – albeit socially limited – public sphere, albeit one which, as I have stressed above, was permeable to the individual.35 But if the story that I have told here is correct, then while one might say that there is much more social openness, the risk has been the destruction, rather than the widening, of the kind of public sphere which was constituted by the kind of conversations that took place at the IEA, and into which its publications program fed.36
5. The IEA and Academic Economists: the Case of Hayek

In the light of the account that I have given of the IEA, let me now turn to consider Hayek’s interactions with them. A few points need to be made clear at the outset.

First, one needs to bear in mind that Hayek in 1950 moved – for personal reasons – to the United States. This meant that as the IEA got going, Hayek was – meetings with Harris and Seldon at Mont Pelerin Society meetings apart – effectively out of their orbit. Transatlantic travel was expensive, as were transatlantic telephone calls. Hayek, while he was in the United States, was concerned with non-party political issues in a way which would have fed naturally into the IEA’s activities, had he been in Britain. (For example, Hayek was in correspondence with Herbert Cornuelle, when he was working for the Volker Fund, and subsequently with his brother who took over his position, about a variety of issues. These included whether Cornuelle knew of free-market institutions which were concerned with the issue of legal equality; the possibility of founding a Quarterly Journal of Opinion which would take a classical liberal perspective – and for which Shirley and William Letwin were employed to undertake preliminary research on possible contributors and topics; Hayek’s being used for the appraisal of academic work to which they might give support; whether the Fund should financially underwrite invitations of scholars to the Chicago Law School; whether Hayek would support the publication, under Murray Rothbard’s editorship, of selected articles from journals which would fit a classical liberal perspective; and whether it would be feasible to organize a syndicated press column, to which various classical liberal scholars might contribute (Hayek, in this context, drawing on the way in which similar activities by John Maynard Keynes and Gustav Cassel had proved influential in the earlier years of the century.37))

This did not mean that there was no interaction between Hayek and the IEA while he was in Chicago. Particularly significant, here, was that fact that Seldon commissioned several writers to offer a critical appraisal of Hayek’s *Constitution of Liberty*. The authors were sympathetic, but by no means uncritical – Shenfield and Watkins, for example, raising some important critical issues about Hayek’s work. This, however, would seem to be the first sign of substantive contact between the IEA and Hayek,38 and it would clearly have been something that would have delighted Hayek, just because he was hoping that his book would make an impact comparable to that of *The Road to Serfdom*.

It was, though, particular from 1963 onwards – when Hayek had moved to Freiburg, and was able to make regular visits to the UK – that he becomes increasingly involved with the IEA. What occurred? Once Hayek was back in Europe, he had considerable interaction with the IEA.

First and foremost, Hayek published many papers with the IEA: individual papers; short books, for which he typically received small fees; he also contributed to the IEA’s journal, *Economic Affairs*. They took a large number of his pieces. Most were the product of lectures, but they included also a compilation of his work, with linking passages by Sudha Shenoy, *A Tiger by the Tail*, which one might see as responsible for bringing back to people’s attention the kind of analysis that Hayek had offered of the problematic
consequences of inflation. Seldon often undertook considerable editing of Hayek’s work (and, for example, commented that his *Law, Legislation and Liberty* volume II was rather ‘Germanic’ in its style). He occasionally took pieces – such as Hayek’s *Confusion of Language in Political Thought* – which must have been found heavy going by the readers of the IEA’s publications. However, Seldon did not take everything that Hayek suggested. For example, Hayek was particularly keen that an English translation be produced of his ‘Rechtsordnung und Haddelsordnung’ should be published by the IEA, as it set out some of the main themes of his *Law, Legislation and Liberty* (which was still some way from publication), but the IEA did not take it. By contrast, Seldon was keen on the idea of publishing a compilation of Hayek’s *Letters to the (London) Times* over fifty years; but Hayek, although he was willing to write an introduction, was sceptical about the whole idea. Seldon also offered substantive critical feedback about his work – for example, raising with him the issue that the downward flexibility of incomes in periods of unemployment had been discussed as a problem for many years – referring back to discussions that he had had with Durbin about this at the L.S.E.

Perhaps most striking, in terms of the impact of the IEA’s publications of Hayek’s work, was its promotion of his writings which were critical of the wider economic effects of the activities of British trades unions, and also his work on the theme of competition in currency and the denationalization of money. His critique of trades unions might be seen as one of the elements that made for the intellectual climate in which the Thatcher government was able to weaken their powers. While the denationalization of money – a product of Hayek’s lively old age, which received particular attention because of the previous award of the Nobel Prize – created a new flurry of interest in his work, and quite a frisson among those who favoured free banking, among some who had argued for a return to the gold standard, and among some Conservative students in the UK.

Second, Ralph Harris was keen, when Hayek visited London, to get him to meet with various people at the I.E.A. This might include groups of friendly journalists or younger people working in the City of London. But it also included smaller dinner parties with friends of the I.E.A, including, for example, Enoch Powell and John Jewkes. It would also seem that, when Hayek was in London, Harris and Seldon would also sometimes schedule private meetings with him, to discuss the activities of the IEA. Whenever Hayek was publishing with them, Harris tried to arrange that there would be launching parties for his publications, or for Hayek to address one of their regular ‘Hobart lunches’ – monthly buffet lunches for their friends and supporters at the IEA, at which there would typically be a short, informal talk. Those who wished to meet with Hayek included, in 1976, Mrs Thatcher.

Harris also carried out various exercises to assist Hayek – for example, distributing to friends of the IEA copies of *Law, Legislation and Liberty* volume I when it came out. He drafted reports on talks given by Hayek which on one occasion was published verbatim under the name of a journalist. In addition, when the distinguished lawyer, Lord Scarman, spoke at the IEA, Harris referred to Hayek in his introductory remarks, reported back to Hayek that Scarman indicated that he had read some of Hayek’s work
and would like to meet him – while Scarman was presented by Harris with a copy of the first volume of Hayek’s *Law, Legislation and Liberty*.

Third, Harris and Seldon were engaged in discussion by correspondence of various substantive issues. For example, Hayek explained to Seldon some of his misgivings about Keynes. Seldon raised the problem that some Asian examples seemed to show that a market economy did not necessarily lead to democracy, and asked whether Hayek had written anything that addressed this problem. He also asked for Hayek’s advice as to whether, in 1985, it was timely to open up the issue of tensions between a microeconomic and a macroeconomic approach. Hayek, in his response, suggested that the issue was delicate because of his disagreements with Friedman over this issue.

Harris was also in touch with Hayek about various substantive issues. When, in 1966, he was due to debate J. K. Galbraith, he appealed to Hayek for suggestions about intellectual ammunition that he might use. (Hayek, in addition to referring to some of his own work, also suggested that a paper by Rawls in *Nomos* might be useful.)

In addition, Hayek was involved in such things as recommending possible authors or publications to the IEA and in refereeing pieces of work for them. Harris sometimes wrote to thank him for his endorsement of their publications, or to ask him if it would be possible to draw attention to the work of one of their writers. While Seldon was in a position to offer Hayek an introduction to the New Zealand Prime Minister Robert Muldoon, should he be visiting New Zealand.

What is one to make of this pattern of interaction? At one level, Hayek and the IEA were political allies, and he was keen to assist them, and to promote a common cause in which they both believed. In this context, Hayek’s position was also distinctive, in the sense of his being happy to be both an author for them on specialized subjects, but also to give them advice and support, and to participate in events for them. (His position, here, was hardly unique: the IEA has a similar kind of relationship, later, with Patrick Minford.)

From the IEA’s perspective, Hayek was important: he was a significant name, and someone whom it was useful to be able to introduce to their friends and associates (recall, here, the significance of the face-to-face character of their operations). It is interesting that they worked with Hayek just as much before as after he received the Nobel Prize – although the latter did not hurt them. He was clearly important as a distinguished yet still lively figure (one of the problems of intellectual life, is that often people become well-known only after they have much to say). Hayek, while some of his concerns were removed from policy issues, also had a number of things to say which were striking, accessible, and news-worthy. (While they were also willing to publish some things which were not, such as ‘The Confusion of Language in Political Thought’.)

From Hayek’s side, the IEA connection must have been important, because it gave an English-language outlet for his work (and also the editing and publicity skills of Seldon), when, after he left Chicago for Frieberg and subsequently Salzburg, he was operating in a German-speaking setting. The IEA’s style of publishing also suited him well – just in the
sense that he liked to explore issues in talks for which he did not have a text, but where a publishable short paper could be produced from the edited text of his talk. The IEA published a steady flow of occasional papers, and was also a good outlet for short compilations of material, or for short, topical and policy-oriented books: the very things that Hayek was producing in his old age.

6. Conclusion

My intention, in this piece, was to make productive use of some research which it was not possible to bring to its intended conclusion (the logistical problems of obtaining permissions from copyright holders became too difficult to overcome). I hope, however, that the material is of interest in itself, but also that it draws attention to issues of three kinds.

First, there is the whole question of how economic ideas, and ideas about social policy, make an impact on society. Crucial, here, seem to me questions about the actual circulation and reception of material: it is not sufficient simply to discuss what gets published when: there is a much wider problem about how material is received, by whom, and the kind of scrutiny which it receives. It seems to me that a major problem about liberal views of the public sphere in the tradition of Kant and of Mill, is that they have tended simply to consider issues about freedom to disseminate material. This is obviously important; but it is only the starting-point. Here, material in the tradition of Robert Darnton’s work on the dissemination and readership of books, seems to me crucial. Also significant, from this point of view, is the analysis of the kind of relationship that I have outlined, between participants in this process, such as Hayek, and the kind of results which may ensue.

Second, there is the question of the evaluation of the character of the public forums which exist, in terms of the degree to which they allow for openness to a wide range of criticism. That is to say, we stand in need of normative assessment, from the perspective of whatever our current ideas are, about what best furthers the growth of knowledge. (One needs, this, too, of the systems of incentives which currently operate in the academic world; but that is another story!)40)

Third – and this is where Habermas’s *Structural Transformation* seems to me so interesting – it is important to bear in mind that it is not the case that a simple judgement that something is less open and democratic than it might be, means that an increase in democratic openness will necessarily lead to an improvement. These issues, rather, are complex and difficult. While at one level this is perhaps daunting, it also indicates that there is also much important work to be undertaken here by academics – which is always nice to know.
Notes

1 I would like to thank John Blundell, Robert Leeson and also the staff of the IEA to whom I made a presentation of these ideas in 2013, for their most helpful comments on an earlier version of this paper, and to Philip Booth of the IEA for some most helpful comments on a later draft. This research which feeds into this had its origin in an invitation by the Atlas Foundation (UK) to make some selections from the IEA archive to be placed on the IEA’s web site, and from research and conversations that I was able to undertake in that connection. A revised version of this paper will appear, in due course, in one of Leeson’s Hayek: A Collective Biography volumes.

2 I have written a paper ‘The Centre for Policy Studies’ [1995] – which is currently unpublished, but which has been cited a few times in the literature on ‘think tanks’ – on my reflections on my time at the CPS.

3 At the time at which I write this, a British M.P. and Minister of State for Universities and Science. After I left the CPS to take up a position in the United States, David became Director of Studies.

4 See, on this, my paper on the CPS.

5 It is, here, interesting to note the way in which, say, recruitment into small religious groups with unusual views often seems to follow patterns of family or other affective relationships, rather than being a matter of an appeal of the ideas as such. (It is striking that the inner circle round Ayn Rand fits exactly the same pattern: cf., say, Jennifer Burns’ Goddess of the Market, New York: Oxford University Press, 2009.)

6 See for some discussion and documentation my ‘Popper and the Problem of the Public Sphere’, in Andrea Borghini and Stefano Gattei (eds), Karl Popper Oggi: Una riflessione multidisciplinare, Rome: Salomone Belforte & C., 2011, pp. 231-252. I will be discussing this issue further in a paper to be given at a conference in Chile, in the Fall of 2014.


8 See my ‘Popper and the Problem of the Public Sphere’.


10 This, together with a version of The Road to Serfdom in cartoons has now been republished by the IEA. See Friedrich Hayek, The Reader’s Digest condensed version of The Road to Serfdom, London: IEA, 2001.

11 On whom, see the ODNB entry by Catherine Ellis, and also Elizabeth Durbin, New Jerusalems, London: Routledge, 1985.

12 There is interesting information about this in the Seldon section of the IEA Archive at The Hoover Institution Archive, Stanford University. At the time when I was able to consult it, the IEA archive was not yet processed, and as a result it is not possible for me to provide detailed references as to the location of material in the archive.

13 [Reference to come.]

14 This is based on my recollections of a conversation with Ralph Harris in January 2001.

15 It should be stressed that this took place in the very earliest days of the IEA; my understanding is that it is not something which has happened since. Rather, the IEA go the great lengths to keep donations completely separate from their economic work.

16 Powell delivered the speech in question to a Conservative Association meeting in Birmingham on April 20 1968. The text is available here: http://www.telegraph.co.uk/comment/3643823/Enoch-Powell-Rivers-of-Blood-speech.html.

17 Armen Alchian, for example, was highly critical of his work.

18 It is striking, in this context, that Harris prevailed upon Joseph not to rule out the denationalization of state-owned industries as among its aims!

19 Issues about religious influences in state schools were on the agenda in the mid 1980s; compare, for example, the controversy round the Bradford headmaster Ray Honeyford, after he expressed his concerns about multicultural policies in schools in an article in the Salisbury Review in 1982. (I discuss some aspects of this in my paper on the Centre for Policy Studies.)

20 On which compare Madsen Pirie’s analysis of the way in which privatization might be encouraged by giving financial benefits, ffo the gains to which it could be expected to lead, to all the significant interests involved. In this context, various British privatizations are striking examples, in which the existing
management, employees of the company, and members of the public who bought shares, were all given significant pay-offs for their involvement.

21 Referring to Harris’s as a scalp he would not have expected to collect. (The letter in question was consulted by myself on the I.E.A.’s premises and was not at that point in the Hoover Archive.)

22 The materials are stray just because I have, here, simply been able to draw on material that happened to be in various of the IEA’s unprocessed files which I was able to consult. The IEA holdings at the Hoover Archive, when I worked there, were unsorted, consisting of a variety of personal files relating to Harris, Seldon, to the publications program, and so on; and what happened to be in what files – and, from what I could tell, what happened to have been retained – appeared in many respects to be a matter of chance.

23 I would like to thank the present Director of the IEA for his permission to refer to this material.


25 I experienced the tail-end of this myself, when I was briefly Director of Studies at the Centre for Policy Studies in the mid 1980s.

26 On which see my ‘Popper and the Problem of the Public Sphere’, and also my forthcoming Chile paper – which will also address issues posed in the most interesting collection, Nancy Fraser et al, Transnationalizing the Public Sphere, Cambridge: Polity, 2014.


28 Philip Booth has mentioned to me that the situation is not the same with regard to private companies (which may be large).

29 The situation is again likely to be different in respect of private companies.

30 Hayek to Magnus Gregersen 9th January, 1968 (Hayek Archive 22-21).

31 Hayek Archive 27-6. Seldon had complained in a letter of 28th August 1975; the quotation is from Hayek’s response of 7th September, 1975.

32 Part of the problem, here, in my view is that there does not exist a clear conceptualization of the intellectual legitimacy of such a (fallibilistic) engagement. For an attempt to offer one, see my ‘Commitment, Scholarship and Classical Liberalism’ available at:

33 Hayek Archive, 16-56. I have discussed this issue in more detail in my ‘Another Path to Mont Pelerin’, forthcoming in a volume of Leeson’s Hayek: A Collective Biography.


35 An interesting picture of this, is conveyed in Wilson T. Harris’s Life so far, London: Cape, 1954.

36 At the same time the IEA has, over the last few years, returned to undertaking some activities – e.g. with academics and students, as well as contacts with MPs, which are in some ways closer to some of its older concerns.

37 See, on all this, Hayek’s correspondence with the Volker Fund, Hayek Archive 58-17 and 58-18.

38 There is a difficulty here, just because the IEA’s voluminous material is unprocessed, and there are many different places in which correspondence might be located. Hayek’s files, while processed, are scattered (in the sense that material on any one topic may turn up in many different points, which there is no easy way of predicting in advance), while Hayek has indicated that he regularly destroyed manuscripts once a piece was published, and that from time to time – especially when he moved – he also destroyed correspondence.

39 This raises the interesting question: why did Hayek think that Rawls’ approach might be something of interest to the classical liberal? (Popper, for example, though that the implicit thrust of Rawls’ work was egalitarian; see Hayek Archive 44-2, 28th April 1977 Popper to Hayek.) I cannot discuss the substance of this issue here, but it is worth noting that this was a view which not only Hayek held in respect of Rawls’ earlier writings, but also Jim Buchanan (see Hayek Archive 13-14). Hayek was to write to George Pearson 24th April 1978 (Hayek Archive 14-20): ‘Thank you for your letter of March 27th. As regard your reference to Rawls I certainly did not mean to express general agreement with his views. I rather wanted to avoid entering the controversy by pointing out that in an earlier publication he had, in fact, conceded what might seem to be the main point of difference with my view.’ Rawls himself, when he wrote briefly to Hayek,
seemed unsure of the relationship between his work and Hayek’s *Constitution of Liberty* (see Hayek Archive, 45-12 [check & give date & detailed quote]).

40 One which I hope to tell, with hard-hitting criticism of the epistemological consequences of the Australian government’s involvements in the sponsorship of research, in a subsequent paper.