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May 6, 1952

Mr R.F. HARROD,
Christchurch,
Oxford, England

My dear Harrod,

After having the pleasure of seeing you in Bruges I had the further pleasure of reading your lectures on the Pound Sterling, published by Princeton University. I want to tell you that I found this booklet extremely helpful in shaping my opinion about a number present-day questions, and I want to thank you once more for sending it to me. I think you point against the devaluation of 1949 is rather strong. The only doubt which I feel particularly when you also advocates revaluation at the present time is about the long-term consequences. My own impression about the elasticities you quote is that they represent short-term elasticities and that the long-term elasticities are probably higher. If so, it might be that in the long run a revaluation would bring your country in difficulties.

With best personal regards,

yours very sincerely,