

Myrdal and von Hayek Share a Nobel

The 1974 Nobel Memorial Prize in Economic Science was awarded yesterday to Dr. Gunnar Myrdal and Dr. Friedrich A. von Hayek—two 75-year-old social economists who have won international recognition for differing views.

In announcing the awards in Stockholm, the Royal Swedish Academy of Sciences said it had cited the two men "for their pioneering work in the theory of money and economic fluctuations and for their pioneering analysis of the interdependence of economic, social and institutional phenomena."

At a news conference here yesterday, Dr. Myrdal expressed dismay on the state of the nation.

"I'm very scared at what's happening now," he told re-

porters: "The trend at present is leading to hell."

Dr. Myrdal is a visiting professor at the City University of New York. Dr. von Hayek is a visiting professor at Salzburg University in Austria.

The memorial prize will be formally presented in December in Stockholm. It includes a \$123,000 cash award, which the two men will share.

In 1944, Dr. Myrdal published the 1,438-page "An American Dilemma-The Negro Problem and Modern Democ-

racy," considered a "classic" work. He is now working on a follow-up project.

Of President Ford's plan to curb inflation and solve energy problems, Dr. Myrdal said "I don't think it's enough and I don't think it will work."

Dr. Myrdal said wage and price controls were necessary to stabilize the economy and he suggested immediate gasoline rationing.

The nation needs a "government program with teeth" he said, adding that he felt the public lacked faith in the Government's sincerity about acting on inflation.

Dr. von Hayek, one of the few economists to have predicted the economic crash of 1929, also voiced concern over

Continued on Page 79, Column 1

NEWS INDEX

	Page		Page
Books	45	Movies	58-62
Bridge	44	Music	58-62
Business	68-81	Obituaries	50, 53
Chess	44	Op-Ed	47
Crossword	45	Sports	62-67
Editorials	46	Theaters	58-62
Family/Style	56	Transportation	93
Financial	68-81	TV and Radio	93-95
Going Out Guide	58	U. N. Proceedings	3
Man in the News	79	Weather	93
		News Summary and Index	Page 49

THE FBI - Now on WPIX, Channel 11
Weeknights at 7:00 P.M. ADVT.

OUR MEDIA SPECIALISTS make your advertising score. CALL CREAMER COLAROSI BASFORD, INC. Advertising 958-5900.-Advt.

10/10/74

N Y Times

Nobel Choice: Economists in Contrast

The following article was written by Paul A. Samuelson, professor of economics at the Massachusetts Institute of Technology, who was awarded the Nobel Memorial Prize in Economic Science in 1970.

Economists all over the world will think it a happy choice of the Swedish Royal Academy of Science to have selected Gunnar Myrdal and Friedrich A. von Hayek for this year's Nobel Memorial Prize in Economic Science.

An Appraisal Although both men were said to have been selected primarily for their stellar contributions to monetary analysis—macroeconomics as it came later to be called—each has made outstanding contributions in the wider realms of policy and the social sciences.

In no sense has their work been joint. Indeed, their policy conclusions, if followed literally would be at loggerheads and self-cancelling.

Dr. von Hayek's 1931 work

on business cycles, "prices and production," concluded that excess civic expansion and deficit spending by Government plus central bank money creation were the roots of all evil.

Non-Intervention Sought

The best cure for the Depression was to sweat it out. The worst thing, Dr. von Hayek and his Austrian School counterparts believed, was for the government to provide unemployment compensation and other supplements to consumers' incomes, for that would merely put off the bitter day of reckoning and only worsen the "under saving" that the economist thought was the villainous cause of every depression.

By contrast, Dr. Myrdal's "Monetary Equilibrium," written at about the same time, was an important anticipation by the Stockholm School of John Maynard Keynes' "General Theory," published in 1936. Dr. Myrdal has been anything but a believer in laissez-faire, having been an important archi-

tect of the Swedish Labor Party's welfare state.

Just as Dr. von Hayek has had to pine for a return to the 19th century Whig era of limited government, Dr. Myrdal has seen his heart's desire realized.

Even his important work alerting Sweden to the imminence of population decline, done jointly with his wife, Alva Myrdal, herself a leading scholar, ambassador, and cabinet officer, has turned out after a wartime booming of population to be prescient of present day trends.

Fear of Favoritism

The Swedish academy is apparently very zealous to keep its Nobel awards "scientific." Although Dr. Myrdal might have received one of the first few awards, they no doubt felt that such a decision might smack of provincial favoritism.

Moreover, it is often charged that such award-granting committees are influenced by political beliefs, so that a "liberal" like Jan

Continued on Page 79, Column 2