17

13 November 1951

Prof. E.A.G.ROBINSON,
The Marshall Library,
Downing Street,
CAMBRIDGE.

My dear Robinson,

May I once more, after my return, express my sincere thanks to you for the days I spent at Cambridge and, in particular, for the personal care you gave me. I especially enjoyed also our personal discussion on Friday afternoon.

I promised Mrs Robinson to supply her with a few data on the relation between wealth and income in the course of the 19th century. Could you kindly give her the enclosed annex on this topic ?

There is one point in the discussion after my second lecture on which I should like to make a small addition. You may remember that we discussed what an autonomous change in profit margins introduced as one of the instruments of economic policy really meant. It was formulated by one of us to mean that the entrepreneurs should be convinced to produce more at the same profit margin or to be satisfied with a lower profit margin for the same production. I forgot to add that at the moment when my political mo was constructed the background of this policy also was the question to what extent entrepreneurs could be brought to such an attitude by a further liberalisation of our imports. I do think this is a mo realistic aspect of the instrument discussed and I hope you are of the same opinion.

With best personal regards

yours very sincerely,

ANNEX FOR MRS ROBINSON

Perhaps the simplest set of figures for the purpose we had in mind are the figures for welath and income for the same country and the same sequence of years. Their ratio would be an indication of capital intensity of production or " round about way" (Böhm). The following figure are taken from King: The Wealth and Income of the People of the United States. I am sure that similar figures are available for the United Kingdom if e.g. wealth figures are taken from Stamp and income figures from Bowley. I could not, however, at once find them, but I suggest that the Department of Applied Economics at Cambridge would be able and willing to supply them.

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	1850	60	70	80	90	1900	1904	1910
Wealth of the U.S., bln $	7,1	16.2	30.0	43.6	65	89	~~107~~	
Income " " " "	2,2	3,6	6,7	7,4	12.1	18.0		~~30.5~~
Wealth : income	3.2	4.5	4.5	5.9	5.4	4.9		