May 1, 1975

Mr. Mike Hopkins,
BIT,
1211 Genève 22

Dear Mr. Hopkins,

Under separate cover I am sending you the paper you asked for about "Two Clubs of Rome". In this letter I want to answer your other question, namely how I arrived at my estimates regarding the portion of national income derived from manufacturing. This I took essentially from "UNRISD: Compilation of Development Indicators (for 1960), Geneva 1969, index 56. These figures refer to 1960 and I transformed everything to 1970 dollars with the aid of some data that will be available to you, I presume.

You will find that the scatter of index 56 plotted against per capita income (index 68) is rather wide and I gave particular attention to some figures I had in addition for the history of Great Britain, Italy and Sweden. These historical observations are situated well within the wide scatter. Moreover, I assumed an asymptotic value of 40 % for countries with few national resources and 37 % for countries better endowed with natural resources.

All these figures are very crude of course. I am wondering whether I should take into account Jean Fourastier's idea that the future manufacturing in rich countries would go down to only 10 % or less. I did not introduce this idea yet but what strikes me and strikes you probably is that I arrive at much higher future figures for the share of developing countries in world manufacturing than the 25 % chosen by UNIDO and critizised in Lima as being too high.

Any work you might yourself undertake would meet with my greatest interest.

Yours sincerely,

J. Tinbergen.