

DEN HAAG, 27 February 1950
Sijzenlaan 41.

Dr R.J. Saulnier,
National Bureau of Economic Research
Incorporated,
Financial Research Program,
'Hillside', W. 254th Street and
Independence Avenue,
New York 63, N.Y.

Dear Dr Saulnier,

Thank you very much for sending me Mr Kisselgoff's study on Instalment Credit. I think it is very interesting indeed, and I have only a number of minor remarks to make.

At page I - 6 I do not quite understand the comparison made between the percentage of families indebted having an income of less than \$5,000 with the percentage of 77.6 their aggregate income formed of total national income. It seems to me that you have either to compare a number of families in both cases or aggregate income in both cases.

I have a general remark to make on all the graphs of the type of chart 5. I would like strongly to recommend that the various curves shown in such graphs be drawn at the same scale, since only then it can be seen from the graphs what the relative influence of the various components is.

Further I would suggest to add in the title the indication: equation (3,3), which facilitates the comparison with the tables.

As to page II - 24 I am not quite happy about the argument in the foot note. The choice between (3,3) and (3,4) should be based, in my opinion, on economic arguments and not on statistical ones. If there would be strong arguments of an economic nature for including T, the fact that equation (3,4) shows a larger margin of error in the regression coefficients should not withhold you from taking (3,4). We could only say in that case that unfortunately by accident intercorrelation in that case prevents us from measuring more exactly the regression coefficients. Now the last argument given on page II - 24, viz. that it can be hardly reconciled with the findings in the other cases, seems acceptable to me. One could therefore better leave out the other arguments for choosing (3,3).

At page II - 34 I wonder how the reliability of the equation (4,8), represented in chart 9, has been calculated; from the graph I deduce a high rate of intercorrelation between current income and size of monthly payment, which might badly influence the reliability of their coefficients. This might be a case where a bunch map analysis might be applied.

At page II - 49 I wonder whether you should not show the results given there also in the form of charts.

Apart, however, from these few remarks I do think that Mr Kisseloff's study is highly interesting and I want to congratulate you and him with this accomplishment.

Dear Dr. S. ...
Yours very sincerely,

Thank you very much for sending me Mr Kisseloff's study on Investment Credit. I think it is very interesting indeed, and I have only a number of minor remarks to make.

At page 1 - 6 I do not quite understand the comparison made between the percentage of families indeed having an income of less than \$5,000 with the percentage of 7.6 their aggregate income formed of total national income. It seems to me that you have either to compare a number of families in both cases or aggregate income in both cases.

I have a general remark to make on all the graphs of the type of chart 2. I would like strongly to recommend that the various curves shown in such graphs be drawn at the same scale, since only then it can be seen from the graphs what the relative influence of the various components is.

Further I would suggest to add in the title the investigation equation (3.3), which facilitates the comparison with the tables.

As to page 11 - 24 I am not quite happy about the argument in the foot note. The choice between (3.3) and (3.4) should be based, in my opinion, on economic arguments and not on statistical ones. If there would be strong arguments of an economic nature for choosing (3.4) the fact that equation (3.4) shows a larger margin of error in the regression coefficients should not withhold you from taking (3.4). We could only say in that case that our results are by accident identical with the results in the first measurement more exactly the regression coefficients. Now the last argument given on page 11 - 24, viz. that it can be hardly reconciled with the findings in the other cases, seems accordingly to me. One could therefore better leave out the other arguments for choosing (3.3).

At page 11 - 24 I wonder how the reliability of the equation (+8), represented in chart 2, has been calculated; from two cases I deduce a high rate of intercorrelation between current income and size of monthly payment, which might badly influence the reliability of their coefficients. This might be a case where a bunch map analysis might be applied.

At page 11 - 29 I wonder whether you should not show the results given there also in the form of charts.