

J. TINBERGEN

THE HAGUE, 30 November 1954
Raamweg 18

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Professor William Fellner,
Yale University
New Haven (Conn.) USA

Dear Professor Fellner,

Thank you for yours of October 25 and your interest shown in my paper. I apologize for the delay in my answer; I have been absent for several weeks.

What I have in mind is the following. No new enterprise or new project only constitutes an investment of capital. From the nation's point of view it always means an investment of several factors of production in combination. It is the total value of this combination which should be considered for the investment made, since this combination is under the nation's command and could be applied in an alternative way. The calculation of the value could be done with the help of accounting prices once more. You may reply that capital outlay also implies an amount of wages. These are, however, only the wages in the gestation. In the calculation I propose also wages in the operation period would be included.

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I sent some examples to Professor Polak of which I sent you a copy under separate cover. May be they induce you to make some further comments which I would highly appreciate.

Yours very sincerely,

J. TIMBERGREN

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