

The Hague, October 12, 1954
Sijzenlaan 41

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Dr A. Mitra,
Economic Division,
Ministry of Finance,
P- Block,
New Delhi

My dear Mitra,

Thank you so much for yours of September 12 which it was a great pleasure to receive. Be sure that your letters are always very welcome. I feel I may be useful for the problem of the underdeveloped countries also here and may be even more so here for the moment. You may have observed that the Netherlands delegation in the UN-assembly announced some new initiative.

Thank you very much for your comments on the performances so far obtained from the first Five-Year Plan. I think you are right in pointing out that favourable crops may be accidental; on the other hand one could hardly expect much result already after such a short period. Recently we had some very interesting discussion here about the type of investment that would seem to be the most appropriate to underdeveloped countries and are embarking upon studies on this subject. It was especially questioned whether capital intensive projects would be advisable and you will understand that doubt was expressed. In this respect calculations of the yield of different investment projects are of course of great interest and I wonder whether the Indian Administration is working on such calculations.

It was also very interesting to read about your savings ratio. I agree that by itself the discovery that that it may be 7% does not change your situation. I feel you are quite right in continuing implementation of the plan is the most important thing to be done. I should wish that this could be in some way **connected up** with the creation of a group of young economists and other technicians to strengthen this insight, and at the same time to educate its members and others in this discussion.

The 1970 Plan of the Dutch Planning Bureau has recently been brought into repair since we upon closer consideration doubted its validity. I am afraid therefore that it will take a bit longer before an English edition can be made.

Thank you for giving me professor Goodwin's regards and please, return them to him.

All of us are very well and want to greet you very cordially.

Yours as ever,

