J. TINBERGEN

THE HAGUE, 21 January 1955
Sijzenlaan 41

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

My dear Mitra,

After having answered only very provisionally your letter of December 7, I did not yet find time to thank you for the beautiful book on modern Indian painting which you were kind enough to send us. I want to do so now very cordially, and I also thank you very much for your kind wishes for the New Year.

Although it is a pity that I have not been able to see you by now, in a sense it has been useful for the case of the underdeveloped countries that I stayed here, for the last three or four months I was able to prepare with a few of my colleagues the Dutch standpoint in the Assembly. You may have seen that we were the only "developed" country co-operating with the twenty underdeveloped countries in this Assembly. As a sequel I have been nominated ad hoc expert in a committee of eight that have to assist Mr Scheyven in reporting on the methods to be used by SUNFED. I am going to New York early in March for about three weeks, and hope to be able to do some useful services to this whole problem.

Later in the Year, in June, I am going to work at the Bank for a couple of weeks, in order to prepare an advice they asked me on their method of priority calculations.

Meanwhile we started at Rotterdam a new division of the Netherlands Economic Institute of which I shall send you a circular.

As to the judgment of investments for the sort run I think the methods we used in this country, namely first of all to see to it that the expansion of production is "harmonious" in that it follows the pattern of demand to be expected, seems to me the best approach. I think therefore you were right in your remarks on the Indian textile industry. Therefore the only thing that I think advisable is to investigate both your home market and your export market, and to let investment be diversified and adapted to the increase in demand you may expect for the next five years or so. It goes without saying, however, that special possibilities of exploiting natural resources not so far used may always also be advisable. The representative of Israel told me that they had much use of a general survey of unused agricultural and other natural resources in that country. You are quite right that there is the difficulty about the measurement of capital, and of course one should have replacement values in order to judge new investment possibilities.

Did you hear already from Professor Polak about a possible assignment with the I.M.F. ? Please, keep me informed on your chances in order that I may, if acute difficulties arise, try to help you in another way.

With kindest regards,

yours as ever,

J. TINBERGEN THE HAGUE, 21 January 1955
Sijzenlaan 14

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