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August 1971 through January 1972 - Paris

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R1991-086 Other #: 2 19180B

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Record Removal Notice



File Title Research on Economics and Development - Bela Balassa - Chronological Record - August 1971 through January 1972 - Paris		Barcode No. 30280403
Document Date Jan.13, 1972	Document Type Letter	
Correspondents / Participants From: Bela Belassa To: Credit Lyonnais		
Subject / Title Account information		
Exception(s) Financial Information (iv)		
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		<table border="1"><tr><td>Withdrawn by Ann May</td><td>Date 13-Jan-17</td></tr></table>
Withdrawn by Ann May	Date 13-Jan-17	

16, Avenue Perrichont,
Paris 16e.

le 10 janvier, 1972.

Messieurs,

Je vous prie de bien vouloir ~~m'envoyer votre~~
"Informations" à l'adresse indiquée ci-dessus
(The Johns Hopkins University) à partir
du 15 janvier.

Je n'ai pas encore reçu le numero du
15 decembre de votre publication. Je vous
prie de bien vouloir le faire envoyer à la
même adresse.

salutations distingués,

Bela Balassa.

Communautés Europeennes,
3 rue des Belles Feuilles,
Paris

Paris le 10 janvier, 1972.

Chers Claudes,

Enfin la date de notre départ est décidée. Nous arriverons par le vol AIR FRANCE 015 à Dulles le dimanche 23 janvier à 14.45 h. Notre nouvelle jeune fille au pair sera avec nous et j'espère qu'à nous trois nous réussirons à tenir Mara tranquille pendant le voyage.

J'espère que la date et l'heure vous conviendront et que nous aurons le plaisir de vous voir à l'aéroport (in the station wagon I presume)...)

très amicalement votre,

Monsieur et Madame Claude Moësy,
5421 Duvall Drive,
Bethesda,
Maryland,
U.S.A.

16 Avenue Perrichont,
Paris 16e.

le 10 janvier, 1972.

Messieurs,

Je vous prie de bien vouloir m'envoyer
votre journal à l'adresse indiquée ci-dessus
(The Johns Hopkins University) à partir du
15 janvier.

En vous remerciant d'avance je vous prie
de croire, Messieurs, à l'expression de mes
sentiments distingués

Professeur Bela Balassa.

e

Expansion,
10, rue Lyautey,
Paris 16e.



Record Removal Notice



File Title Research on Economics and Development - Bela Balassa - Chronological Record - August 1971 through January 1972 - Paris		Barcode No. 30280403
Document Date Jan.10, 1972	Document Type Letter	
Correspondents / Participants From: Jorge Cauas To: Credit Lyonnais		
Subject / Title Account information		
Exception(s) Financial Information (iv)		
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.
		<table border="1"><tr><td>Withdrawn by Ann May</td><td>Date 13-Jan-17</td></tr></table>
Withdrawn by Ann May	Date 13-Jan-17	

10th January, 1972,

Dear Sirs,

I should like to order the following book:

European Monetary Integration
by Peter Coffey and John R. Presley
Macmillan.

Would you please send it to me
at the above address with your bill.

Yours sincerely,

Professor Bela Balassa.

The Economist Book Shop-
Clare Market,
Portugal Street,
London W.C.2 2 AB.
England.

10th January, 1972.

Dear David,

I shall be returning to Washington on January 23rd and
will be coming to the office on the following day, Monday 26th.

Sincerely yours,

Bela Balassa.

Mr. P.D. Henderson,
Director, Economics Department.
IBRD,
Washington.

cc: Messrs Chenery,
Stevenson,
ul Haq.

10th January, 1972.

Dear Mr. Abbas,

I enclose herewith my note on "Export Subsidies by Developing Countries and GATT on which I would very much like to have your comments.

I shall be in Geneva on the 14th January for an all-day meeting and will contact you then.

Sincerely Yours,

Bela Balassa.

Mr. S.A. Abbas,
Chief, Export Policy Section,
Manufactures Division,
UNCTAD.
Geneva.

10th January, 1972.

Dear Sue,

Thank you for your letter of January 6th. The arrangements you suggest are fine with us and Carol will contact you upon our return on January 23rd.

I appreciate your sending me the list of the postage receipts. but, to be reimbursed, I would need a signed list on your stationery.

We are rather sad to leave Paris but look forward to returning to our house where, as you know, we had spent only a few days.

Sincerely yours,

Bela Balassa.

Mrs Richard Kraut,
2134 Wyoming Avenue, N.W.
Washington D.C.
U.S.A.

10th January, 1972.

Dear Anne and Jay,

We have been expecting Jay's phone call and hope that he will come to Paris before our departure on the 23rd January.

Our stay here has been very pleasant but we look forward to moving back to our house where we have hardly spent more than a few days.

Hoping to see you very soon,

I remain,

Sincerely yours,



Bela Balassa.

Mr and Mrs Julius Kaplan,

10th January, 1972.

Dear Mr. Kraus,

Thank you for your letter of December 30th. I will be happy to give permission for printing my paper / "Trade Creation and Trade Diversion in the European Common Market", which appeared in the Economic Journal (March 1967), / in your volume on the ECONOMICS OF INTEGRATION.

It is customary to pay a few of \$ 50 for the reprint rights. I would appreciate it if your publisher could send a cheque to me in this amount.

Sincerely yours,

Bela Balassa.

Mr. Mel Krauss,
Lisstraat 14,
Landsmeer (N-H)
The Netherlands.

7th January, 1972.

Dear Gardner,

After a two years' hiatus, during which I was occupied with other questions, I have again returned to the problem of export subsidies which is one that has since assumed increasing importance for the developing countries as well as for the Bank. I enclose a short section dealing with GATT rules in the hope that you might be able to give me your reactions. But even if you do not have the time to read it before my visit to Geneva on Friday January 14th, I would appreciate having the opportunity to talk to you about some of the issues.

One of my questions is whether Article XVI Section A has more general applicability than Section B in that the former but not the latter covers production and income subsidies. Furthermore, I would like to have information on the implementation of Article XVI (and VI) during the sixties, especially in so far as the developing countries are concerned, including questions such as modifications on subsidies, consultations, and the application of countervailing duties. I wonder if there is a recent report on these subjects?

I will call you from Paris on Wednesday or Thursday to find out if you can see me. Until then, I remain

I remain,

Sincerely Yours,

Bela Balassa.

Mr. Gardner Patterson,
Assistant Director General,
GATT,
Geneva.

4th January, 1972.

Dear Professor Sheahan,

I am sorry for the inadvertent omission of the report from my letter of November 15. I am sending it to you enclosed herewith.

Sincerely Yours,

Bela Balassa.

Professor John Sheahan,
Williams College,
Williamstown,
Massachusetts 01267.

4th January, 1972.

Dear Trent,

Many thanks for your note and for the list of publishers.

My research is progressing but, as usual it takes more time than expected. This will make it necessary to delay my departure as long as possible. In this connection I would like to ask you if you could sign the programmes of graduate students as you did in September. I am not sure if I was to do this for the second semester but it would certainly be much easier for you to do it since you have already signed the programmejs in September

I hope that everything is going well with you and ~~with~~ the department. I haven't heard from anybody concerning new appointments. Looking forward to seeing you soon,

I remain,

Sincerely yours,

Bela Balassa.

p.s. I hope that my memory doesn't fail me in thinking that you are signing graduate student programmes this year. TShould this not be the case, please padd on my request to whoever is doing it.

Professor Trent Bertrand,
Johns Hopkins University,
Baltimore, Maryland 21218.

4th January, 1972.

Dear Monsieur de Robien,

With reference to my telephone conversation with your assistance, I enclose a cheque for Frs. 300 as rent for the extension of my stay in the appartement at 16, Avenue Perrichont until January 23rd. From the time of my last monthly payment my stay will count for exactly half of a month, from January 8th - January 23rd. As I have already sent you a cheque for Frs. 800, the total amount paid is now Frs. 1,100. I enclose a receipt in this amount with a request that you return it signed and duly stamped. This will take the place of the earlier receipt for Frs. 800 which I am returning herewith.

With best regards,

I remain,

Sincerely yours,

Bela Balassa.

Monsieur de Robien,
Inter-Urbis,
5, rue du Docteur Lancereaux,
Paris VIIIe.

INTER-URBIS
5, rue du Docteur Lancereau,
Paris 8e.

4th January, 1972.

RECEIPT

I acknowledge receipt of French Frs. 1,100 from Mr. Bela Balassa
in payment of rent for the appartement at 16, Avenue Perrichont,
Paris 16e, for the period January 8th to January 23rd, 1972.

Paris le 4 janvier 1972.

Monsieur,

Veillez trouver ci-joint mon papier sur l'intégration monétaire dans le Marché Commun. J'espère que ce papier retiendra votre attention.

Il me ferait grand plaisir si je pouvais vous rencontrer pendant mon séjour à Paris. Je vous appellerai dans quelques jours pour vous inviter à déjeuner. Mon épouse nous tiendra compagnie; elle vous a rencontré, si je me souviens bien, lors du cocktail des Communautés Européennes il y a quelques jours. Vous vous souvenez peut-être qu'elle prépare en ce moment une thèse sur l'attitude des industriels français envers le Marché Commun.

Veillez agréer, Monsieur, l'assurance de mes meilleurs sentiments

Bela Balassa.

Monsieur Drouin,
Le Monde,
5, rue des Italiens,
Paris 9e.

le 4 janvier, 1972.

Cher ami,

Veillez trouver ci-inclus l'annexe de mon papier sur le choix des investissements dans les pays sous développés et aussi le papier sur l'intégration monétaire du Marché Commun. Si vous faites des photocopies de ce dernier j'aimerais que vous me gardiez quelques copies.

En attendant le plaisir de vous revoir le 10 janvier, je vous prie d'agréer, cher ami, l'assurance de mes meilleurs sentiments.

Bela Balassa.

M. le Professeur Kolm.
CEPREMAP,
140 rue du Cheval Ret,
Paris 13e.

Paris, 4th January, 1972.

Dear Trudy,

My departure has been delayed and I will come to Hopkins on the morning of Wednesday 26th January. I am writing to Mr. Bertrand asking him to sign the programmes of the students as he did in September.

Please inform Dr. Niehans of my date of arrival.

Sincerely yours,

Bela Balassa.

Miss Trudy Zintl,
Department of Political Economy,
Johns Hopkins University,
Baltimore,
Maryland,
U.S.A.

4th January, 1972.

Dear Mr. Wenn,

Thank you for your letter of December 20th. You handled the trade statistics perfectly well. Please let me know if you have received the data from Professor Resnick. I am writing to him about it tomorrow. I will be back at Hopkins on the 26th January.

Sincerely yours,

Bela Balassa.

Mr. Y.K. Wen,
McCoy Hall 616
3401 N. Charles Street,
Baltimore Maryland 21218.

le 30 decembre, 1971.

Cher Monsieur,

Veillez trouver ci-inclus mon papier sur l'intégration monétaire.

Je vous appellerai au cours du mois de janvier pour savoir si je pourrai éventuellement m'entretenir avec vous à ce sujet.

Veillez croire, cher Monsieur, à l'assurance de mes meilleurs sentiments.

Bela Balassa.

Monsieur Robert Marjolin,
9, rue de Valois,
Paris 1er.

le 30 decembre, 1971.

Cher Ami,

Je vous remercie de votre bien gentille lettre. Cette fois ci je vous envoie un ouvrage de caractère différent; il s'agit d'un papier sur l'intégration monétaire.

Je serais bien content si vous pouviez me donner vos reactions sur ce papier lors de ma visite à Bruxelles le 11 janvier. Elles seront d'autant plus precieuses que nous avons des vues assez différents à ce sujet.

Je demanderai à M. de Creeft du Bureau d'Informations de se mettre en rapport avec votre Bureau pour demander un rendez-vous.

Veillez agréer, cher ami, l'expression de mes meilleurs sentiments.

Bela Balassa.

Monsieur Frédéric Boyer de la Giroday,
Direction des Affaires Monétaires,
Direction Générale II,
rue de la Loi 200,
1040 Bruxelles,
Belgique.

30th December, 1971.

Dear Manfred,

I enclose a paper on Monetary Integration in the Common Market. I would be very happy if we could have discussions on this paper on my next visit to Brussels on January 11th. I am asking Mr. de Kreeft of the Bureau d'Information to find out if you could see me.

with best personal regards,

Sincerely yours,

Bela Balassa.

Monsieur M. Wegner,
Conseiller au Cabinet de M. Haferkamp,
Commission des Communautés Europeennes,
200 rue de la Loi,
1040 Bruxelles,
Belgique.

30th December, 1971.

Dear Mr. Molitor,

I enclose a paper on Monetary Integration in the Common Market. I would be very happy if we could have discussions on this paper on my next visit to Brussels On January 11th. I am asking Mr. de Kreeft of the Bureau d'Information to find out if you could see me.

With best regards,

Sincerely yours,

Bela Balassa.

Mr. Bernhard Molitor,
Directeur Economies Nationales
et Conjoncture,
Affaires Economiques et Financieres,
Commission des Communautés Européennes,
200 rue de la Loi,
1040 Bruxelles,
Belgique.

1e 30 December, 1971.

Cher Ami,

Veillez trouver ci-joint mon papier sur l'integration monétaire.

Je serais bien content si vous pouviez me donner vos reactions sur ce papier lors de ma visite à Bruxelles le 11 janvier.

Je demanderai à M. de Creeft du Bureau d'informations de se mettre en rapport avec votre secrétariat pour demander un rendez-vous.

Veillez agréer, cher ami, l'expression de mes meilleurs sentiments.

Bela Balassa.

Monsieur Roland Tavitian,
Directeur de
Structure et Developpement Economiques,
Direction Générale II,
rue de la Loi 200,
1040 Bruxelles,
Belgique.

30th December, 1971.

Dear Steve,

I enclose a copy of my paper on Monetary Integration in the Common Market.

I would be glad if there was an opportunity to talk with you about this before my departure from Paris on January 11th.

Sincerely Yours,

Bela Balassa.

Mr. Stephen Marris,
Directeur Suppléant des Etudes Générales,
Département des Affaires Economiques et Statistiques,
O.C.D.E.
2, rue André Pascal,
Paris 16e.

30th December, 1971.

Dear Franz,

I enclose a paper on Monetary Integration in the Common Market. I would be very happy if we could have discussions on this paper on my next visit to Brussels on January 11th. I am asking Mr. de Kreeft of the Bureau d'Information to find out if you could see me.

with best personal regards,

Sincerely yours,

Bela Balassa.

Mr. Franz Froschmaier,
Commission des Communautés Europeennes,
200, rue de la Loi,
1040 Bruxelles,
Belgique.

30th December, 1971.

Dear Alexandre,

I enclose a preliminary version of my paper on Monetary Integration in the Common Market. While I expect to make some revisions before January 13th, the paper could be distributed in this form.

I shall be arriving on Thursday January 13th, shortly after 7 o'clock and will come to the reception preceding the dinner. I am sorry to say, however, that Carol will not be able to accompany me. She has a lot to do before our departure and it would also be difficult for her to leave the baby.

I see from your letter of December 22nd that the meetings will be held in the EFTA Building. I wonder if you have invited Mr. Lanner who is the Research Director of EFTA. On my last visit I mentioned the Conference to him and he expressed great interest in it. He used to teach international monetary economics and has quite interesting views on the subject. He is a fervent advocate of exchange rate flexibility between regions.

It was good to see you in Paris and I look forward to seeing Manije and yourself in Geneva.

Sincerely yours,

Bela Balassa.

Professor Alexandre Swoboda,
Institut Universitaire de Hautes Etudes Internationales,
132, rue de Lausanne,
Ch 1211 Geneve 21,
Suisse.

le 29 decembre, 1971.

Cher Monsieur de Creeft,

Je serai de nouveau à Bruxelles le 11 janvier. J'aimerais vous demander de bien vouloir me fixer quelques rendez vous. Voici la liste des personnes que j'aimeraâ rencontrer:

MM. F. Boyer de la Giroday,
Franz Froschmaier
Berhard Molitor
Roland Tavitian
Manfred Wegner.

Ils sont tous au courant de ma visite.

J'arriverai à Bruxelles dans la soirée du 10 janvier.
Je pourrai donc commencer mes entretiens vers 9 h. 30 le matin
du 11 janvier. Je descendrai à l'Hotel Europa, 107 rue de la Loi.

En vous remerciant d'avance je vous prie de croire, cher
Monsieur de Creeft, à l'expression de mes sentiments les meilleurs

Bela Balassa.

Monsieur T. de Creeft,
Direction générale "Presse et Information"
Commission des Communautés Européennes,
200 rue de la Loi,
1040 Bruxelles.

LE 77

le 30 décembre, 1971.

Cher Raymond,

Veillez trouver ci-inclus mon papier sur l'intégration monétaire.

J'aurais grand plaisir à pouvoir m'entretenir avec vous à ce sujet avant mon départ de Paris le 19 janvier.

Veillez croire à l'assurance de mes meilleurs sentiments.

Bela Balassa.

Monsieur Raymond Bertrand,
Directeur des Affaires Financières,
O.C.D.E.
2, rue André Pascal,
Paris 16e.

30th December, 1971.

Dear Professor Williamson,

I enclose a copy of my paper on
Monetary Integration in Western Europe.
I would be very much interested in having
your comments on this paper.

You may wish to send your comments
to the above address where I shall be from
January 19th.

With sincere regards,

Bela Balassa.

Professor John H. Williamson,
University of Warwick,
Coventry,
Angleterre.

29th December, 1971.

Dear Dr. Lin,

Thank you for your letter of 14th November which was forwarded to me here in Paris.

I am sorry to say that it would not be possible for me to include your study in the project on which I am presently engaged.

Sincerely Yours,

Bela Balassa.

Dr. Tzong-Biau Lin,
Lecturer in Econometrics & Statistics,
New Asia College,
The Chinese University of Hong Kong,
6 Farm Road,
Kowloon,
Hong Kong.

29th December, 1971.

Dear Sirs,

I wish to order the following books:

The Economics of Europe: What the Common Market means
for Britain edited by John Pinder

The United Kingdom and the European Communities
by the Labour Party.

The Future of Sterling as an International Currency
by Benjamin J. Cohen

North American and Western European Economic Policies
edited by Charles P. Kindleberger and Andrew Shonfield

Competitive Policy in the European Community by
D. Swann and D.L. McLochlan. The Oxford University Press

Would you please send these books to me at the following address:

The Johns Hopkins University,
Baltimore, Maryland 21218.
U.S.A.

together with your bill.

Sincerely Yours,

Bela Balassa.

The Economist Book Shop,
Clare Market,
Portugal Street,
London W.C.2. 2 AB.
Angleterre.

28th December, 1971.

Dear Larry,

Thank you for your letters of November 28th and 14th and for the sector classification used in your study.

There is indeed a problem with the weighting scheme on page 21 of my paper on nominal protection. In order to ensure that the bias against exports is calculated in regard to potential as well as actual exports, the ideal solution seems to be to use the world market value of domestic production (for domestic use and for exports) in weighting the nominal rates of protection on both import substitution and exports. This, however, would necessitate recalculating nominal rates as compared to my table where "own" weights are used in the averaging.

Your suggestion of using the world market value of production for domestic use as weights eases the burden of calculations but it is open to objection because it disregards domestic production for exports. The latter is of considerable importance in several of the countries, including Korea, and we have information on the subsidies these exports receive.

Incidentally, in calculating the bias it is a problem that potential exports from the calculations as in my example would mean that for purely import-substituting industries the bias would be undefined. Or, perhaps for the latter we should use production for domestic use as weights.

I am afraid that, instead of answering your questions, I am raising new issues, but I would appreciate having your reactions to this.

Best regards and happy new year to the family,

Sincerely,

Bela Balassa.

exports receive no subsidies.
In turn, the exclusion of potential

Mr. Larry E. Westphal,
Assistant Professor of Economics,
Woodrow Wilson School of Public and
International Affairs,
59 Prospect Avenue,
Elm Club,
Princeton,
New Jersey 08540.

le 27 decembre, 1971.

Cher Monsieur,

Je voudrais m'abonner au Journal Officiel des Communautés Européennes pour l'année 1971 et 1972 et à l'édition anglaise du Bulletin des Communautés Européennes pour les années 1969 et 1972.

Veillez noter que pour l'année 1972, j'ai droit à une réduction de 50%. *Sur le prix du Bulletin.*

Je vous prie d'envoyer tous les numeros du Journal et du Bulletin ainsi que la facture à l'adresse indiquée ci-dessus.

Veillez agréer, cher Monsieur, l'expression des mes sentiments distingués.

Professeur Bela Balassa.

Monsieur G. Weisgerber,
Office des Publications Officielles
des Communautés Européennes,
37, rue Glesener,
Luxembourg.

"&TH

27th December, 1971.

Dear Mr. Russell,

I will be in Paris again in late June and I will be glad to have the opportunity of meeting you then.

Please let me know your address by writing to me at the Washington office of the World Bank:

1818 H Street, N.W.
Washington D.C. 20433,

Sincerely yours,

Bela Balassa.

Professor Robert W. Russell,
Department of Political Science,
Northern Illinois University,
DeKalb,
Illinois 60115,
U.S.A.

27th December, 1971.

Dear Mr. Martin Bourgon,

I will be happy to send a recommendation to any University of your choice. Please let me know where I should write.

Sincerely yours,

Bela Balassa.

Mr. F; Martin Bourgon,

Banco de Espana,
Servicio de Estudios,
Alcala 48,
Madrid-14,
Espagae.

27th December, 1971.

Dear Sir,

Thank you for sending me Camus - Monetary Integration.

May I also ask you to send me copies of A Future for European ~~Integration~~
Agriculture and Stemming World Inflation.

With best regards,

Sincerely yours,

Professor Bela Balassa.

The Atlantic Institute,
120 rue de Longchamp,
Paris 16e.

27th December, 1971.

Dear Professor Sellekaerts,

Thank you for your letter of December 3rd. Please send your paper as well as the galleys of my article to my Washington address where I will be after January 19th.

Sincerely yours,

Bela Balassa.

Professor W. Sellekaerts,
Faculty of Social Sciences
Department of Economics,
University of Ottawa,
Canada K1N 6N5

"27th December, 1971.

Dear Mr. Jacobs,

I shall be happy to write a paper on the
European Common Market for your Headline Series.

Sincerely yours,

Bela Balassa.

Mr. Norman Jacobs,
Editor in Chief,
Foreign Policy Association,
345 East 46 Street,
New York, N.Y. 10017,
U.S.A.

27th December, 1971.

Dear Etienne,

There has been a slight change in my plans in as much as I will be in Brussels only on Tuesday 11th January. Could we perhaps have lunch together on that day?

Looking forward to seeing you, I remain,

Sincerely yours,

Bela Balassa.

Dr. E.S. Kirschen,
Departement d'Economie Appliquee de
l'Universite Libre de Bruxelles,
49, rue du Chatelain,
Bruxelles 5.
Belgique.

le 29 December, 1971.

Messieurs,

Je désire commander le livre suivant:

Le droit de la Communauté économique européenne
par J. Megret, J.V. Louis, D. Vignes,
M. Waelbroeck, le Vol. 1: le Préambule -
les Principes - la libre circulation des
marchandises.

Veuillez l'envoyer ainsi que votre
facture à l'adresse indiquée ci-dessus.

Je vous prie de croire à l'expression
de mes sentiments distingués.

Professeur Bela Balassa.

Presse Universitaire,
Bruxelles,
Belgique.

29th December, 1971.

Dear Sirs,

I should like to order the following book:

Approaches to Greater Flexibility
of Exchange Rates: The Burgenstock
Papers (Ed. George N. Halm)

Would you please send it to me at the
above address with your bill.

Yours sincerely,

Professor Bela Balassa.

The Princeton University Press,
Princeton,
New Jersey.
U.S.A.

Messieurs,

Je désire vous commander le livre
suivant:

De l'union douanière à l'union économique
Actes du quatrieme colloque sur la fusion
des Communautés européennes, organisé
à Liege, les 23, 24 et 25 avril 1969.

Veuillez envoyer le livre ainsi que la
facture à l'adresse indiquée ci-dessus.

Je vous prie de croire à l'expression
de mes sentiments distingués.

Professeur Bela Balassa.

Institut d'etudes juridiques europeennes
de la Faculté de droit de
l'université de Liège,
Belgique.

le 29 decembre, 1971.

Messieurs,

Je désire commander le livre suivant:

La position dominante et son abus dans l'article
86 du traité de la CEE par J.P. Dubois, 1968.

Veuillez envoyer le livre ainsi que votre
facture à l'adresse indiquée ci-dessus.

Je vous prie de croire à l'expression
de mes sentiments distingués.

Professeur Bela Balassa.

Librairies Techniques Droit et
Sciences Economiques,
26 rue Soufflot,
Paris 5e.

le 29 Decembre, 1971.

Messieurs,

Je désire commander le livre suivant:

La nouvelle division internationale du Travail
par Guy de Lacharriere, 1969.

Veillez l'envoyer ainsi que votre facture
à l'adresse indiquée ci-dessus.

Je vous prie de croire à l'expression de
mes sentiments distingués.

Professeur Bela Balassa.

La Librairie Droz,
Geneve,
Suisse.

16e Avenue Perrichont,

Paris 16e.

29 Decembre, 1971.

Messieurs,

Je voudrais vous commander le livre suivant:

La sous-traitance, information, organisation, application;
éléments d'une politique industrielle européenne,
Jacques Bayle-Ottenheim, 1970.

Veillez envoyer ce livre, ainsi que votre facture à
l'adresse indiquée ci-dessus.

Je vous prie de croire, Messieurs, à l'expression de
mes sentiments distingués.

Professeur Bela Balassa.

Jacques Bayle-Ottenheim,
19, rue d'Oslo,
Paris.

27th December, 1971.

Dear Sirs,

I wish to subscribe to the "Economist"
for the year 1972.

Please send all the issues as well as
your bill to the address given on the
letterhead.

Sincerely yours,

Professor Bela Balassa.

The Economist,
54, St. James Street,
London S.W.1 a, 1 JT,
England.

17th December, 1971.

Mrs. Sanders

Bela Balassa.

Mr. Hutcheson's Advance.

1. Reviewing Mr. Hutcheson's requests for an advance, I find that the amount requested includes his plane fare. As the ticket will be issued by the Bank, his total advance should be \$1350 rather than \$1200 as I requested in my memo of 14th December, of which \$1200 should be for travel and \$150 for research expenses.

17th December, 1971.

Dear Sir,

I return herewith the corrected contract between myself and Miss Adriana Olivia de Paula. The mistake in the original was due to a typing error.

I would very much appreciate it if you would send your answer AIR MAIL to my address in Paris where I shall be until January 19th. The address is:

16, Avenue Perrichont,
Paris 16e.

Thank you for your attention to this matter and hoping for an early decision,

I remain,

Sincerely yours,

Bela Balassa.

Mr. Lorenzo M. White,
Acting Director,
Office of Employer and Technical Services,
D.C. Manpower Administration,
555 Pennsylvania Avenue, NW.
Washington DC 20212.

16 Avenue Pessichont,
Paris 16e.

17th December, 1971.

Dear Trudy,

Any day other than on Fridays is fine with me for the Claudon's orals. My preference is for Monday afternoons or mornings.

While I haven't yet had a chance to read carefully Noel Roy's chapters, it seems to me that he will be ready for the January-February examination. You may wish to check with Dr. Christ on this.

According to present plans I will be arriving on the January 22nd or thereabouts. Please inform Dr. Niehaus about this.

I have in the meantime received the cheque for the amounts due to me.

Sincerely yours,

Bela Balassa.

Miss Trudy Zintl,
Department of Political Economy,
Johns Hopkins University,
Baltimore,
Maryland,
U.S.A.

17th December, 1971.

Dear Monsieur de Robien,

With reference to our telephone conversation, I enclose a cheque for 800 Frs in payment of rent of the appartement at 16, Avenue Perrichont, ~~for~~ the period January 8th to January 19th, 1972. Please return a signed and stamped copy of the enclosed receipt .

We shall be leaving on January 19th on a 10 o'clock plane; this will make it necessary to carry out the inventory the previous afternoon.

Sincerely yours,

Bela Balassa.

Monsieur de Robien,
INTER_URBIS,
5, rue du Docteur Lancereaux,
Paris 8e.

INTER-URBIS,
5, rue du Docteur Lancereau,
Paris 8e.

17th December, 1971.

RECEIPT

I acknowledge receipt of French Frs. 800 from Mr. Bela Balassa
in payment of rent for the appartement at 16 Avenue Perrichont,
Paris 16e, for the period January 8th to January 19th, 1972.



Record Removal Notice



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Document Date December 14, 1971	Document Type Letter			
Correspondents / Participants From: Bela Belassa To: Johns Plans Inc				
Subject / Title Account information				
Exception(s) Financial Information (iv)				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"><tr><td>Withdrawn by Ann May</td><td>Date 13-Jan-17</td></tr></table>	Withdrawn by Ann May	Date 13-Jan-17
Withdrawn by Ann May	Date 13-Jan-17			

Dear Tom,

I have just received an undated letter from you concerning your trip to Columbia, which seems to have come sea-mail and thus it might have preceeded your note to my Secretary. I am not sure therefore how large an advance you need. I originally asked for \$ 500 and I am writing now to Mrs. Sanders to ~~adjust~~the amount. A copy of my memo is enclosed.

Sincerely yours,

Bela Balassa.

Mr. Thomas L. Hutcheson,
309 S. State Street,
Ann Arbor,
Michigan,
U.S.A.

14th December, 1971.

Dear Etienne,

I tried to call you on my second visit to Brussels but, unfortunately, you were away. I now plan to come on the 10th and 11th January which I am afraid will not make it possible to give a talk to your students. I hope, however, that we may have the occasion to meet.

Sincerely yours,

Bela Balassa.

Monsieur E.S. Kirschen,
Université Libre de Bruxelles,
Département d'économie Appliquée,
49, rue du Châtelain,
Bruxelles 5.
Belgique.

14th December, 1971.

Dear Mina,

Many thanks for the help you are giving to Dany Schydrowsky.
I have written separately to I.F.C. asking for their assistance.

All is well in Paris but the date of my return is getting
near.

With sincere regards,

Bela Balassa.

Mrs. Herminia M. Neufeld,
Central America and Caribbean DEpartment,
I.B.R.D.
Washington.

Monsieur,

Je vous suis tres reconnaissant de m'avoir envoyé des informations sur les entraves techniques.

Au cas où j'aurai d'autres questions je n'hsiterai pas de m'adresser à vous.

Veillez agréer, Monsieur, l'assurance de mes sentiments distingués.

Bela Balassa.

Monsieur D. Verdiani,
Commission des Communautés Europeennes,
Direction générale des
Affaires industrielles, technologiques
et scientifiques,
Bruxelles,
Belgique.

Mr. S. Retulinger

13th December, 1971

Bela Balassa.

Comments on Mr. Deepak Lal's Paper

I enclose my comments on Mr. Deepak Lal's paper "Adjustments for Trade Distortion in Project Analysis" with the request that you send copies to him as well as to those to whom the paper has been distributed. I am sending copies to those listed below.

cc: Messrs Chenery, Henderson, Gulhati, Mrs. Hughes.

16 Avenue Perrichont,

Paris 16e.

13th December, 1971.

Dear Trudy,

I have not yet received the cheque for the bills I sent you on November 29th. Please make sure that I get them as soon as possible.

Sincerely yours,

Bela Balassa.

Miss Trudy Zintl,
Department of Political Economy,
Johns Hopkins University,
Baltimore,
Maryland,
U.S.A.



Record Removal Notice



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Document Date December 13, 1971	Document Type Letter			
Correspondents / Participants From: Bela Belassa To: Ted Lapidus & Riggs Bank				
Subject / Title Account information				
Exception(s) Financial Information (iv)				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"><tr><td>Withdrawn by Ann May</td><td>Date 13-Jan-17</td></tr></table>	Withdrawn by Ann May	Date 13-Jan-17
Withdrawn by Ann May	Date 13-Jan-17			

10th December, 1971.

Dear Jean,

I am now planning to be in Brussels on January 10th and 11th. I wrote about this to Tavitian in case he wants to have a discussion of our econometric work.

I am planning to arrive on the 9th in the late afternoon or evening and leave on the 11th. I will confirm the dates as soon as I have an answer from Tavitian and From Boyer de la Giroday, to whom I have also written.

With best regards,

Sincerely yours,

Bela Balassa.

Professor Jean Waelbroeck,
CORE,
54, rue de Croy,
Louvain,
Belgique.



Record Removal Notice



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Document Date December 10, 1971	Document Type Letter	
Correspondents / Participants From: Bela Belassa To: Mohammad Khan		
Subject / Title Payment of Consultant Fee		
Exception(s) Financial Information (iv)		
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.
		<table border="1"><tr><td>Withdrawn by Ann May</td><td>Date 13-Jan-17</td></tr></table>
Withdrawn by Ann May	Date 13-Jan-17	

10

L)TH December, 1971.

Dear Steve,

In my recent letter I neglected to mention that Mr. Nussbauer of EFTA is very anxious to get a copy of your thesis. He had written to you about this several months ago offering to pay for the cost of reproduction. Could you please inform him if you could let him have a copy.

Sincerely yours,

Bela Balassa.

Professor Stephen Resnick,
The City College,
Department of Economics,
Convent Avenue at 138th Street,
New York, N.Y. 10031,
U.S.A.

10th December, 1971.

Dear Mr. Wen,

Thank you for your letter of December 3rd. The tables in question are fine but SITC classes 5,6,7 and 8 should be combined under the heading "manufactured goods". There is no need therefore to separate classes 6 and 8.

The data will be used to calculate for every country a weighted average of prices of its trading partners, the weights being the amount of trade with each of them. Professor Resnick has price indices for all countries shown individually on your trade tables, so that the weights will add up to the sum of trade with these countries rather than total trade. Separate averages will be calculated using export and import weights.

Since it might take several weeks to get the price indices from Resnick, I suggest that you put the trade data onto the computer and then start working with the data Mr. de Melo is collecting.

Please let me know the number of hours worked and the appropriate hourly rate so that I can request that payment be made.

With best wishes for the coming holidays,

I remain,

Sincerely yours,

Bela Balassa.

Mr. Yin-kann Wen,
Department of Political Economy,
Johns Hopkins University,
Baltimore,
Maryland 21218.

10 décembre 1971.

Cher Ami,

Veillez trouver ci-inclus un petit ouvrage que j'ai fait sur les restaurants de Paris. J'espère avoir l'occasion de vous rencontrer ici à Paris et de pouvoir vous inviter à mon tour dans un de ces restaurants.

Je suis en train de rédiger un papier sur l'intégration monétaire dans le Marché Commun. Je vous l'enverrai à la fin du mois de décembre. J'espère avoir la possibilité d'en discuter avec vous lors de mon prochain séjour à Bruxelles au début de janvier. Veuillez me faire savoir si les dates du 10 au 11 janvier vous conviendraient.

J'ai éprouvé beaucoup de plaisir de vous avoir revu et je me réjouis d'avoir de nouveau la possibilité de m'entretenir avec vous.

Veillez agréer, cher ami, l'expression de mes meilleurs sentiments.

Bela Balassa.

Monsieur Frédéric Boyer de la Giroday
Directeur des
Affaires Monétaires,
Direction Generale II,
rue de la Loi 200,
1040 Bruxelles.
Belgique.



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Document Date December 10, 1971	Document Type Letter			
Correspondents / Participants From: Bela Belassa To: Frank et Fils				
Subject / Title Account information				
Exception(s) Financial Information (iv)				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"><tr><td>Withdrawn by Ann May</td><td>Date 13-Jan-17</td></tr></table>	Withdrawn by Ann May	Date 13-Jan-17
Withdrawn by Ann May	Date 13-Jan-17			

10 décembre, 1971.

Cher ami,

Je pense venir à Bruxelles le 10 ou le 11 janvier et j'aimerais savoir si ces dates vous conviendraient. J'aimerais ajouter que si vous venez auparavant à Paris j'aurais également beaucoup de plaisir à vous voir.

Veillez agréer, cher ami, l'expression de mes sentiments.

Bela Balassa.

Monsieur Roland Tavitian,
Directeur de
Structure et Développement Economiques,
Direction Générale II,
rue de la Loi 200,
1040 Bruxelles.
Belgique.

10 decembre, 1971.

Monsieur,

Police d'Assurance No. 252834

Ma voiture Peugeot, no d'immatriculation 634 TTA 75 est assurée chez vous pour la période du 16 juillet 1971 au 15 janvier 1972. Veuillez me faire savoir le montant de la prime d'assurance que je devrais payer au cas ou je resterai à Paris jusqu'au 22 janvier 1972.

Veuillez agréer, Monsieur, l'expression de mes sentiments distingués.

Bela Balassa.

Compagnie d'Assurance la Préservatrice.
18, rue de Londres,
Paris.



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Document Date December 10, 1971	Document Type Letter			
Correspondents / Participants From: Bela Belassa To: Richard Kraut				
Subject / Title Account information				
Exception(s) Financial Information (iv)				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"><tr><td>Withdrawn by Ann May</td><td>Date 13-Jan-17</td></tr></table>	Withdrawn by Ann May	Date 13-Jan-17
Withdrawn by Ann May	Date 13-Jan-17			

Mrs Jeanette Sanders,

10th December, 1971.

Bela Balassa.

Mr. Hutcheson's Travel

I enclose a travel request for Mr. Thomas Hutcheson, a consultant to the Development Strategies in Semi-Industrial Countries Project, for Mr. Stevenson's signature. Please note that Mr. Hutcheson should be given an economic class ticket and an advance of \$600. The amount of the ticket and the advance should be charged to the Budget of the Project.

C

cc: Mr. Thomas L. Hutcheson

Mr. Thomas L. Hutcheson

Research on Columbian study in the Development Strategies in
Semi-Industrial Countries Project.

Detroit

Bogota

Air /


Bogota

Detroit

tourist

OFFICE MEMORANDUM

TO : All Contributors

FROM : Bela Balassa 

SUBJECT : Next meeting of contributors.

DATE : 7th December, 1971.

1. In my memo of October 26th 1971, I suggested that the next meeting of the Development Strategies in Semi-Industrial Countries project be held on March 28 and 29, with the preceding and the following days reserved for individual consultations. Dr. Sussman requested a slight modification in the dates, with the meetings held on March 27 and 28 and consultations on the following two days. Please let me know by return mail if these dates are convenient to you.
2. Another change relates to the distribution of the papers. In order to make it possible for every participant to read the papers before arrival in Washington, I wish to ask you to send copies direct to all contributors. A list of addresses is enclosed.
3. I would like to have your reactions to the paper "Measuring the Nominal Rate of Protection" I sent out some time ago. Enclosed is an addendum to this paper as well as to the earlier one on "Outline and Methodology".
4. Please let me have your tentative time-table for the completion of your study. In the time-table appropriate allowance should be made for the time needed to provide a detailed evaluation of the results. I would also like to have the industrial classification scheme used in your study, with an indication of its relationship to the International Standard Industrial Classification. The list should include all industries for which effective rates are to be calculated.

cc: Messrs. Chenery
Henderson/Stevenson.
Mrs. Hughes.

Addresses of Contributors

Professor Bela Balassa
I.B.R.D.
Economics Department
1818 H Street, N.W.,
Washington D.C. 20433

Dr. Julio Berlinski
Pueyrredon 336
8p 25
Buenos Aires
Argentina

Mr. Thomas Hutcheson
C.R.E.D.
309 S. State Street,
Ann Arbor,
Michigan,
U.S.A.

Dr. S. Malcolm Gillis
Harvard University DAS
1737 Cambridge Street,
Cambridge, Mass. 02138

Dr. Daniel Schydlowsky
DAS Harvard University
1737 Cambridge Street
Cambridge, Mass. 02138

Dr. Zvi Sussman
Bank of Israel,
Jerusalem
Israel.

Dr. Augustine H. H. Tan,
Dept. of Economics
University of Singapore,
Bukit Timah Road,
Singapore 10,

Dr. T.H. Lee
Joint Commission on Rural Reconstruction
37 Nankai Raod
Taipei City,
Taiwan.

Dr. Larry Westphal,
Woodrow Wilson School of Public and
International Affairs,
Princeton University,
Princeton, N.J. 08540.

OUTGOING WIRE

TO: Mr. Mohammed Khan
Controller's Department
IBRD
Washington.

DATE: 7th December, 1971.

CLASS OF
SERVICE:

COUNTRY: U.S.A.

Cable No.: 1571

TEXT: SALARY CHEQUE REQUESTED IN MEMORANDUM DATED NOVEMBER 5

NOT RECEIVED STOP PLEASE INFORM URGENTLY.

BALASSA.

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME Mr. Bela Balassa.

DEPT.

SIGNATURE

TRANSMITTAL COPY



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File Title Research on Economics and Development - Bela Balassa - Chronological Record - August 1971 through January 1972 - Paris		Barcode No. 30280403		
Document Date Nov. 5, 1971	Document Type Letter			
Correspondents / Participants From: Bela Belassa To: Mohammed Khan				
Subject / Title Cheque for Consultant Fees				
Exception(s) Personal Information				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"><tr><td>Withdrawn by Ann May</td><td>Date 13-Jan-17</td></tr></table>	Withdrawn by Ann May	Date 13-Jan-17
Withdrawn by Ann May	Date 13-Jan-17			

6th December, 1971.

Dear Sir,

Your statement of October 30th, 1971 does not yet include a credit for my returning Thebergé - Economics of Trade and Development. This accounts for the debit balance shown since I am otherwise fully paid up. I trust that you have received the book by now and will credit me with the amount in question.

Yours faithfully,

Bela Balassa.

The Economist Bookshop,
Clare Market,
Portugal Street,
London W.C.2.

6th December, 1971.

Dear Steve,

I enclose a copy of Barten's "An import allocation model for the Common Market". The method seems quite interesting and the basic idea bears similarity to yours.

I had some further thoughts on the question of the choice of domestic price indices. It seems to me that all three possible variants have their advantages or disadvantages:

- (a) export price index -- conceptually this seems to best fit your model. It is however subject to considerable error possibilities.
- (b) wholesale price index -- it is much more reliable than the export price index but it has the disadvantage of including the prices of home goods as well as imported products; and, while in some countries, there may be a separate index for home goods, others might include agriculture products in the index.
- (c) deflator for GNP less services. This will indicate changes in the prices of home goods but without taking account of changes in the prices of imported materials.

It is thus difficult a priori to make a choice among these indices although from the theoretical point of view they are all superior to the GNP deflator. It would seem worthwhile, then, to experiment with all three.

With sincere regards,

Sincere regards,

Bela Balassa.

Professor Stephen Resnick,
The City College,
Department of Economics,
Convent Avenue at 138th Street,
New York, N.Y. 10031.

cc: Professor Edwin Truman.

6th December, 1971.

Dear Ted,

During my visit to Geneva I talked with Messrs Lanner and Nussbauer of EFTA and with Messrs Saunders and Hellberg of ECE, who acknowledged with thanks receipt of your EEC paper as well as that of the joint paper with Steve. There is nothing of interest to you in recent work by the ECE; in turn not even the preliminary version of the EFTA study will be available before next March. It was indeed good to go ahead without waiting for them.

You should by now have received my memo on publication of our book on European Economic Integration, in which I asked for information on the prospective size of the studies of each of you for the purpose of estimating its potential length. Please give some thought to the question as to whether your trade creation trade diversion work should appear as three separate chapters (EEC, EFTA and a comparative evaluation of the two) or in one chapter. Given the apparent desire on the part of North Holland's Editors to keep down the size of the book, I would not mind if the contents of the three papers could be combined in one chapter. While decision on this matter may await my return to the States, I would very much like to have your views on it before my next meeting with Waelbroeck in January. Also you may wish to prepare estimates for both variants.

Lanner showed me an interesting paper by H. Aitken of the University of Massachusetts on "the effects of the EEC and EFTA on European Trade". You may wish to send a copy of your paper to him and ask for his comments. Please also request that he sends a copy to me to Baltimore; I do not recall where his University is and I cannot therefore write to him direct from here.

With best regards,

Sincerely yours,

Professor Edwin Truman,
Yale University,
Department of Economics,
Box 1905 A Yale Station,
New Haven,
Connecticut 06520,
cc: Professor S. Resnick

Bela Balassa.

Paris , 6th December, 1971.

Dear Trent,

Many thanks for the note concerning Claudon. I think that you are rather harsh on him, especially that some of the points were not made on earlier drafts. But let's have Mike try to cope with them. I would like to add, however, as regards your point no. 7, that the proxies used by Claudon have often been employed in literature and, with adequate qualifications he should be able to use them.

I wonder if I could ask you a favour. I am thinking of putting together some of my recent articles on Semi-Industrial Countries in a small book of readings. I would like to write about this to a number of publishers who bring out readings volumes, especially in the field of trade and development. Could you please look in your library and in mine for the names of such publishers and then ask Trudi to look up the addresses in a directory she has on publishers. I am unable to do this here and would greatly appreciate it if you could send me a list with 8-10 suggestions.

Thanking you in advance,

I remain,

Yours sincerely,

Bela Balassa.

Professor Trent Bertrand,
The Johns Hopkins University,
Baltimore,
Maryland 21218,
U.S.A.

6th December, 1971.

Dear Richard,

I too was sorry to hear that you had a problem with the hot water. I trust that you have the new heater by now and will not have any further problems with the house. Turning to a different matter, I have not yet been informed by my Bank of your deposit due on November 15th, although I have received an information slip already of the deposit of my salary on November 30th. May I ask you, in case you haven't yet done so, to deposit the amount of the rent for last month on receipt of this letter. I would also need to have the rent due on December 15th by that date or, if possible, earlier because this amount is to cover cheques I will write out next week. In case you do not have any deposit slips, please call my Secretary Anne Jeffrey and she will send them to you. Should she not have any I presume that the Bank would accept the deposits if they are accompanied by a letter of if they are made in person. Please let me know as soon as you make the deposits so that I do not have to delay writing out my cheques.

With best regards to all three of you,

I remain,

Sincerely yours,

Bela Balassa.

Mr. Richard Kraut,
2134 Wyoming Avenue, N.W.
Washington D.C.
U.S.A.

16 Avenue Perrichont,
Paris 16e.
France.

6th December, 1971.

Dear Mr. de Melo,

Thank you for your letters of November 24 and 30. I have in the meantime looked at Revenus reels CECA, 1954-1958. Herewith are my instructions:

- (1) I enclose a copy of the 1958 list with my annotations as to the comparable items in 1970. Please adjust your list accordingly, but include also comparable items I might have missed. Let me add here that I define comparability among items in 1958 and 1970 in a larger sense since we are interested only in relative prices for the two years, taken individually.
- (2) The scheme of classification of the items should be that used in 1970, with provision made for combining (5) and (8) and separate coding used for tradeable goods and services.
- (3) For 1958, take simple averages of (a) mines de houille, (b) sidérurgie, (3) mines de fer, and (4) grandes villes, the latter taken individually (so if you have three "grandes villes", you will take a simple average of such observations). I would further like to have a simple average of the grandes villes only. As all the data go on to the computer, the calculations of these averages should require little computer time.
- (4) For 1970 not only the data comparable with 1958 but all observations should be put on the computer since the calculations for that year are of interest by themselves. Data expressed in terms of "unités de compte" should be used.
- (5) For 1958, too, all observations should be put on the computer, with the same coding used as in 1970.
- (6) The coefficient of variation of price ratios as between countries averages should be calculated for 1958 and for 1970 for the sample of goods common to both as well as for all the goods surveyed in the two years. Separate calculations made according to the scheme of classification indicated in my letter.
- (7) For 1958 the coefficient of variation should also be calculated for price ratios among pairs of "grandes villes" of all the countries. In the absence of data, we cannot as yet do this for 1970.

Do contact me in Paris to talk about your dissertation plans also.
I plan to be there during all the first week of January. Call me before
9 a.m. or between 7 and 8 p.,. at 647.5657.

With best regards to Mr. Wen and yourself,

I remain,

Sincerely yours,

Bela Balassa.

Mr. Jaime A.P. de Melo,
3034 Gio;fprd Avenue.
Baltimore,
Maryland 21218.
Etats-Unis.

cc: Mr. Yin-Kann Wen.
McCoy Hall, Apt. 616,
3401 North Charles Street,
Baltimore,
Maryland 21218.

6th December, 1971.

Dear Peter,

I enclose some comments on Togan's dissertation which you may wish to pass over to Lou Maccini and to Togan himself, as it is apparent from my comments that I do not think the thesis would be acceptable in its present form. I wonder, however, if he could not make a revision in several months time which would make it acceptable to us. My comments contain a few suggestions and I suppose you and Lou might have more.

I am returning the thesis under separate cover.

Looking forward to seeing you in January,

I remain,

Sincerely yours,

Bela Balassa.

Professor Peter Newman,
The Johns Hopkins University,
Baltimore,
Maryland 21218,
U.S.A.

Comments on Subidey Togan's Thesis

- (1) The distinction made between consumer and investment goods is not followed through ^{in the model} as the latter are not used in further production.
- (2) Chapter III is awkwardly placed; it should come before rather than after the analysis of Chapter II. Also, the discussion of the Two-Gap Model is rather weak (Bruton and Ranis-Fei had more to say about it); the link with Togan's models in the following chapters is not made clear, and these models too, are subject to the criticism applied to the Two-Gap Model: "A model based on the study of disequilibrium system but disregarding the functioning of various markets and ways of increasing the degree of utilisation in the economy can only lead to erroneous results".
- (3) The utility of Chapter II in the thesis is not clear to me. The discussion does not seem to be original and later references to the well-known availability frontier do not warrant its inclusion. Also, on p.II-17 there is a confusion because of the lack of distinction between cases when a country facing less-than/infininitely elastic foreign demand curve acts as a monopolist or as a competitor.
- (4) It should have been useful to consider internal borrowing in addition to external borrowing. There is no reason to believe that the marginal cost of borrowing would be constant for the former if it is increasing for the latter. We either have atomistic firms as subsequent models seem to assume that ~~can~~. ^{can} borrow at constant costs or we have oligopolistic firms that face increasing costs whether they borrow externally or internally. In the latter eventuality, the determination of equilibrium is an ~~interesting~~ interesting problem but one should then introduce oligopolistic behaviour in product markets also. At the same time, it is not necessary to introduce increasing borrowing costs on the firm level to get such a result on the national economy level. The latter can be explained in the form of external diseconomies.

(5) The models of Chapter IV-VI may be evaluated from the theoretical and from the practical point-of-view. As to the former, the assumption of a constant domestic saving ratio is a major shortcoming. Saving ratios will change with (a) increases in per capital incomes (b) variations in interest rates and (c) variations in the capital inflow. The latter has been much neglected in the literature although utility maximisation as to present and future goods requires that a capital inflow result in an increase in consumption unless present goods are inferior.

(6) No effort has been made to indicate the applicability of the models to real life situations. This could be done only if the economic content of the assumptions is analysed. One could then indicate the implications of the models to developing countries to which the Two-Gap hypothesis has been applied.

3rd December, 1971.

Dear Editor,

I do not recommend accepting Mr. Gunnar Fløystad's paper. His conclusion is trivial and it could have been obtained simply by calculating the effective rate of protection in the textile and footwear industry. Nor does the method employed have promising applications in other areas.

Sincerely yours,

Bela Balassa.

The Editors,
Messrs. Robert J. Gordon and Harry G. Johnson.
Journal of Political Economy,
University of Chicago,
1126 East 59th Street,
Chicago,
Illinois 60637.
U.S.A.

3rd December, 1971.

Dear Zvi,

I enclose a short note summarising our discussions on the Israeli study. Please let me know if it is not accurate.

I have read the note prepared by Rivka Sfarim. I find it interesting and of publishable quality. She could perhaps try the Economic Journal or the Journal of Political Economy for publication. Before submission, however, it would be necessary to explain to the uninitiated what the Corden method is and reference should be made to the original JPE article as well as to Corden's recent book "The Theory of Production"

With sincere regards,

Sincerely yours,

Bela Balassa.

Dr. Zvi Sussman,
Bank of Israel,
Jerusalem,
Israel.

OFFICE MEMORANDUM

TO : Mrs Hughes

FROM : Bela Balassa

SUBJECT : Mr. McNamara's Speech to the ECOSOC Meeting.

DATE : 3rd December, 1971.

1. Mr. Hansen is correct in noting that it is an exaggeration to speak of industrial growth rates "averaging 15 percent or more" in countries that have oriented their manufacturing sectors towards export markets. My own figures, cited in Table 2 of "Trade Policies in Developing Countries" (ED Working Paper No. 95; published in the American Economic Review, May 1971 pp. 178-87) show that, among such countries, industrial growth rates exceeded 15 percent only in Korea and Taiwan. On the other hand, the use of the growth of manufactured exports as an indicator of "outward" or "inward" orientation leads Hansen to questionable conclusions concerning the performance of countries pursuing different policies.

2. As noted in the paper referred to above, the rate of growth of manufactured exports in developing countries is not an appropriate indicator for the purpose at hand since "several countries under consideration started from a very small base" (p. 179). Table 3 of Hansen's own memo offers evidence to the validity of this proposition. Thus, a country such as Venezuela that exports only 0.6 percent of its output leads among developing countries with a growth rate of manufactured exports of 81.7 percent, while

Singapore and Hong Kong with average increases in exports of 14-15 percent and exporting over half of their manufacturing output have been put in the group with the lowest export growth rates. Indeed, the inclusion of Singapore and Hong Kong in the latter group raises considerably the average growth rate of manufacturing output for the group as a whole (from 7.9 to 9.7 percent), yet by no stretch of the imagination could these two countries be considered "inward-oriented" or following a policy of import substitution, which is the terminology employed in McNamara's statement Hansen has set out to criticise.

3. Hansen's final conclusion also rests on the inappropriate classification of these countries. Thus, he asserts that countries "with the highest growth rate of exports [i.e. Venezuela] had a lower rate of industrial growth than did those with the lowest growth rate of exports [i.e. Singapore and Hongkong]". From this point of view, one may take exception to the statement that those countries with an export orientation have had a more rapid rate of industrial growth than those with an inward orientation" (Para. 5). The conclusion should be exactly the opposite; i.e. the experience of countries such as Singapore, Hong Kong and Venezuela support rather than disprove the hypothesis on the relationship between export orientation and rapid industrial growth.

4. Nor can Hansen's use of manufacturing export growth for "measuring" export orientation be defended on the grounds that this would "indicate industrial policy at the margin and reduce the impact of the historical situation" (Para. 2). Not only is the history of developing countries as exporters of manufactured goods rather brief but the orientation of industrial policy "at the margin" can be gauged by incremental export-production ratios in manufacturing rather than by export growth rates. Such ratios, calculated in my paper "Industrial Policies in Taiwan and Korea (E.D. Working Paper No. 86; published in Weltwirtschaftliches Archiv, 1971) were 35 percent in Taiwan and 25 percent in Korea in the period 1960-69. In the absence of similar calculations for other countries, the average share of exports in industrial output should be used as the sole indicator of export orientation.

5. The data of Table 2 in Hansen's memo show an average growth rate of manufactured exports of 12.2 percent in countries that had the highest share of exports in manufacturing output and an average growth rate of 6.0 percent for those with the lowest export share. While these are averages and for more accurate results we need multivariate analysis, the results do bear out McNamara's statement: "Countries that have oriented their manufacturing sectors toward export markets have fared better than those which have relied chiefly on import substitution". All one needs to do is to replace the figure of industrial growth rate "average 15 percent and more" in the statement by a somewhat lower figure which, incidentally, will exceed 12.2 percent if weighted averages are used and will rise further if data on Hong Kong and Israel are included.

cc: Mr. Hollis B. Chenery
Mr. P.D. Henderson
Mr. A. Stevenson
Mr. M. ul Haq.
Mr. John R. Hansen
Mr. L.E. Christoffersen
The Information and Public Affairs Department.

3rd December, 1971.

Dear Mr. Cole,

This is in response to your request for a reference concerning Mr. Fiallo.

I have know Mr. Fiallo for about two years. He participated in my international economics course and I also observed him performing in a Seminar. He is an intelligent and hardworking student who has acquired a good knowledge of economic theory, econometrics and international economics while at Hopkins. He should be able to perform well at the I.M.F. and I highly recommend that you offer him a position.

Sincerely yours,

Bela Balassa.

Mr. T. Cole,
Personnel Officer,
I.M.F.

16 Avenue Perrichont,

Paris 16e.

le 3 decembre 1971.

Votre référence : SC/8872 D

Monsieur,

Je vous remercie de votre lettre du 19 novembre et du formulaire d'attestation de reception que vous m'avez envoyé.

En réponse à vos questions, deux colis postaux contenant des livres et des documents m'ont été envoyés par la Banque Mondiale (I.B.R.D.) à Washington mais seulement un des deux colis est arrivé à mon adresse 16 Avenue Perrichont, Paris 16e.

La demande de renseignements de la part de I.B.R.D. concerne le colis que n'est pas arrivé à mon adresse.

Veuillez agréer, Monsieur, l'expression de mes sentiments distingués.

Professeur Bela Balassa.

S.N.C.F.
Service National des
Messageries ,
S.E.R.P.
Centre Paris-Batignolles,
147 rue Cardinet,
Paris 17e.

3rd December, 1971.

Dear Singh,

Thank you for your letter of November 17th. I will be glad to give permission to reprint my paper "Trade Policies in Developing Countries" of which a copy is enclosed.

I customarily receive \$50 for permission to reprint. I would appreciate it if your publisher would send me a cheque in this amount.

Sincerely yours,

Bela Balassa.

Mr. S.P. Singh,
Colting House,
Harvard Business School,
Boston (Mass) 02163.
U.S.A.

OFFICE MEMORANDUM

TO : Mr Hollis B. Chenery

DATE : 1st December, 1971.

FROM : Bela Balassa

SUBJECT : Proposed Research Studies

I have read Mr. Gulhati's memo of November 19th on the above subject together with various papers that were sent to me. I support Mr. Gulhati's recommendations with one exception. This concerns the proposed study by Professor Silcock. On the basis of Mrs. Adelman's memo and my own acquaintance with the project, I recommend that it be accepted following a revision of the proposal done jointly by Mrs. Adelman and Mr. Silcock.

cc: Messrs Ravi Gulhati
John Holsen
Mrs. Irma Adelman
Mr. van der Tak

Messrs S. Reutlinger
Benjamin B. King
J.L. Lowther.

THE JOHNS HOPKINS UNIVERSITY

BALTIMORE, MARYLAND 21218

DEPARTMENT OF POLITICAL ECONOMY

1st December, 1971.

To : Contributors to the European Project
From : Bela Balassa. *M*
Subject : Publication.

I enclose a letter received from Mr. Snater of the North-Holland Publishing Company, together with my answer to him. While it is rather early to make an estimate, I would like to ask you to try to do so indicating Chapter titles, approximate number of pages and the number of tables. Please keep the number of tables down; my conversation with Jean Waelbroeck indicated that it would be difficult to bring out a book with very many tables.

Please also let me know your preference between two possible alternatives as regards the author's contract. The contract might be signed by all five of us or by me alone as Editor; in the latter case I would act as the representative of all of us. Finally, I would like to have your suggestions as to a possible title for the book. Your early answer would be appreciated.

cc: Messrs. Truman, Resnick, Thorbecke, Kreinin.

THE JOHNS HOPKINS UNIVERSITY

BALTIMORE, MARYLAND 21218

DEPARTMENT OF POLITICAL ECONOMY

3rd December, 1971.

Dear Mr. Snater,

I am happy to learn of your intention to publish our volume on European economic Integration. I am writing today to my collaborators asking them to estimate the probable length of their contributions as well as the expected completion date.

I would like to add that the book is in a rather early stage which makes estimating the number of pages very hazardous. As I mentioned to Professor Waelbroeck, we will have four or five chapters ready in the early spring and are aiming at completing the book by the end of 1972. Thus, I will only be able to give you a preliminary estimate to be revised subsequently. I will also let you know if the contract will be signed by the five of us jointly or by me alone.

With best regards,

Sincerely yours,

A handwritten signature in dark ink, appearing to be 'B. Balassa', with a large, stylized initial 'B'.

Bela Balassa.

Mr. F. Snater,
North Holland Publishing Company,
P.O. Box 3498,
Amsterdam,
The Netherlands.



NORTH-HOLLAND PUBLISHING COMPANY

(N.V. NOORD-HOLLANDSCHE UITGEVERS MAATSCHAPPIJ)

305-311 KEIZERSGRACHT • P.O. BOX 3489 • TELEPHONE 223522 • AMSTERDAM-C • THE NETHERLANDS

Amsterdam, November 22, 1971

Professor Bela Balassa
 16 av. du Président Perrichont
PARIS 16
 France

Dear Professor Balassa,

I was very pleased to receive this morning from Professor Waelbroeck a note informing me that together with Professors Kreinin, Thorbecke and Trusan you are writing a book on European economic integration, and that you would like to see this book included in the "Contributions to Economic Analysis". Enclosed I am sending you a draft author's agreement for the "Contributions" series. Before I send you the definite agreement I would like to hear from you whether the four authors should be mentioned in the contract on equal footing, your estimate as regards the size of the book and a date when you expect to complete the last chapters. In addition I would like to hear from you at which addresses I can reach your three co-authors at present.

I am very pleased indeed that after the many years that you have been in contact with North-Holland we now may welcome a book from your hand. I am equally pleased that of this book we may expect a rather wide sales. Professor Waelbroeck already pointed out to me that with a view to the topical character of the book, also in relation to England's joining the Common Market, it is essential that production is fast and efficient. I can guarantee that the book will be out within six months after having received the manuscript for the last chapter, but presumably this can even be speeded up somewhat by already starting on the production as soon as the ready chapters are available.

I am looking forward to our further cooperation.

With kind regards,

Enclosure

cc. Professor D.W. Jorgenson
 Professor J. Waelbroeck

Sincerely yours,

F. Snater

In reply, please write to:
 North-Holland Publishing Company
 P.O. BOX 3489
 Amsterdam - The Netherlands.

FS/EW

Cables: NOHUM AMSTERDAM

Chusno.

29th November, 1971.

Dear Trudy,

I enclose an accounting for the European Project. Please make the reimbursement to my address in Paris:

16 Avenue Perrichont,
Paris 16e.

Please note that in the calculations I have used the most recent exchange rates applicable: 5.40 French francs and 45 Belgian francs to the dollar.

With best regards to everybody in the Department,

I remain,

Sincerely Yours,

Bela Balassa.

Miss Trudy Zintl,
Department of Political Economy,
Johns Hopkins University,
Baltimore,
Maryland,
U.S.A.



Record Removal Notice



File Title Research on Economics and Development - Bela Balassa - Chronological Record - August 1971 through January 1972 - Paris		Barcode No. 30280403		
Document Date Nov. 29, 1971	Document Type Letter			
Correspondents / Participants From: Bela Belassa				
Subject / Title Request for reimbursement of expenses incurred in connection with the European Integration Project				
Exception(s) Personal Information Financial Information (iv)				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"><tr><td>Withdrawn by Ann May</td><td>Date 13-Jan-17</td></tr></table>	Withdrawn by Ann May	Date 13-Jan-17
Withdrawn by Ann May	Date 13-Jan-17			

1st December, 1971.

Dear Dani,

Thank you for your letter of November 17th and for the copy of your letter to Berlinski.

I agree with the changes you have made on the paper. I have only one query concerning the reduction of tariffs to cover marginal costs only. This might well lead firms to bankruptcy if their average ~~average~~ cost exceeds marginal cost and or if the original investment was *variable* financed from borrowed funds.

Sincerely yours,

Bela Balassa.

Mr. Daniel M. Schydrowsky,
Center for International Affairs,
Harvard University,
1737 Cambridge Street,
Cambridge,
Massachusetts 02138.

29th November, 1971.

Dear Alexander,

It was good to see you and many thanks again for the very pleasant soirée. Carol and I are looking forward to seeing you in Paris. Unfortunately, however, we will not be able to get together in the evening on Saturday, December 11th as, during my absence, Carol accepted an invitation for that evening. But, Saturday lunch or Sunday dinner would be fine with us. We will keep these dates free until we hear from you. If neither of the two is convenient, we would like to have you for brunch on Sunday.

As regards my paper, the provisional title is, "Monetary Integration in the Common Market": it is far from being an original title but I hope that I will have something new to say. The discussion will concern the cost and benefits of monetary integration in the long run as well as in the transitional period, taking account of inter-country differences as to a "transformation function" and a "preference function" relating to inflation, unemployment and growth (I use these expressions as a sort of a "shorthand" the paper will be phrased in terms understandable to the uninitiated). In the discussion, emphasis will be given to the distinction between nominal and real exchange rates, and the implications of this distinction for the choice among alternative monetary arrangements.

Looking forward to seeing you in Paris,

with sincere regards,

Bela Balassa

Professor Alexander Swoboda,
Institut Universitaire de Hautes Etudes-Internationales,
132, rue de Lausanne,
Ch 1211,
Geneve 21,
Suisse.

le 29 novembre 1971.

Messieurs,

Je vous envoie ci-joint mon cheque no. Z 1.056.257
en règlement de vos factures suivantes:

No.	12824	en la	somme	de	Frs.	Belges	235
"	13032	"	"	"	"	"	337
"	13492	"	"	"	"	"	1,029
							<u>1,602</u>

La somme de 1,602 Frs. Belges correspond à la somme de
178 Frs. Français. et je vous envoie le cheque en cette
somme.

Veillez agréer, Messieurs, l'expression de mes
sentiments distingués.

Bela Balassa.

Office des Publications Officielles des
Communautés Européennes,
Office des Ventes,
Case Postale 1003,
Luxembourg 1.

26th November, 1971.

Dear David,

I had hoped that my note would reach you before your departure for Africa. Apparently, however, our memos have crossed in mid-Atlantic.

Your memorandum seems to me a very fair representation of the situation. My own provides additional information and expressed my preference for continuing the present arrangement. Should this solution be chosen, I could as well work 160 rather than the 150 days referred to in my memorandum.

With best regards,

Sincerely yours,

Bela Balassa.

Mr. P.D. Henderson,
I.B.R.D.
Washington.

cc: Messrs Stevenson, Ul Haq.

Anne Jeffery

Mrs. Sanders.

26th November, 1971.

Bela Balassa.

Mr. Schydrowsky's ticket.

In reference to my memorandum to Mr. Stevenson dated 18th November, please note that Mr. Schydrowsky should be issued an economy class rather than a first class ticket. My arrangements ~~with~~ the consultants working for me call for economy class tickets and my budget is set up accordingly. I have not encountered any difficulties with the travel office in the past in having economy class tickets issued for destinations to which Bank staff travels first class.

25th November, 1971.

Dear Sirs,

Please send me the following:

Hankel, Währungs-politik

with your bill to my home address:

16 Avenue Perrichont,
Paris 16e.

Yours faithfully,

Professor Bela Balassa.

Verlag W. Kohlhammer,
Stuttgart,
République Federal
d'Allemagne.

25th November, 1971.

Dear Zoltan,

Many thanks for your letter of November 22nd. I am afraid that the topics to be discussed at the Conference are far from my field of interest and I doubt that I could contribute to the Conference.

I wish nevertheless to thank you for raising this possibility.

Sincerely yours,

Bela Balassa.

Dr. Zoltan Kenessey
United Nations Statistical Office
New York, N.Y. 10022,
U.S.A.

25th November, 1971.

Dear Larry,

I would be happy to have my name ~~used~~ in your contract as a potential consultant to K.D.I.

You may wish to know that I had earlier ^{given} a reply favourable to a similar request from Harvard.

With sincere regards,

Bela Balassa.

Professor Larry E. Westphal,
Assistant Professor of Economics
and International Affairs,
Woodrow Wilson School of
Public and International Affairs,
58, Prospect Avenue,
Elm Club,
Princeton,
New Jersey 08540.

Mr. van Gent,

November, 1971.

A. Stevenson

Mr. Augustin Tan's Consultat~~an~~ Contract

Due to unavoidable delays it has been necessary to postpone until 31st December, 1972 the date of completion of Mr. Tan's Study on Singapore which is carried out in the framework of the Development Strategies in Semi-Industrial Countries project. Please adjust his consultant contract accordingly.

Mrs Sanders, Economics Department

22nd November, 1971.

Bela Balassa.

Consultant Contracts.

Due to unavoidable delays the completion of work on all studies in the Development Strategies for Semi-Industrial Countries Project has been postponed until December 31st, 1972. Please have the appropriate changes made in the consultant contracts of Messrs Tan Kim Lee, Westphal, Schydrowsky, Berlinsky, Hutcheson and Sussman. I enclose a memorandum form which you could ~~have~~ be reproduced and use for all contributors.

November
22nd October, 1971.

Dear Sir,

I wrote on 11th October to inform you that I had not received Beck - Changing Structure of Europe You answered at the bottom of my letter (please find photocopy of letter enclosed).

I have still not received the book and doubt whether, after such a long delay it will turn up at my address in Paris. As I shall be leaving Paris before long would you please send me the book at Johns Hopkins University at the address on the letterhead.

Yours faithfully,

Bela Balassa.

The University of Minnesota Press,
Minneapolis,
Minnesota 55455,
U.S.A.

19th November, 1971.

Dear Professor Selekkaerts,

I enclose a revised version of my "Project Appraisal in Developing Countries" in the hope that it is not too late before the volume goes to print. If not, I can make some changes in the proofs, I presume. Please let me have the ~~exact~~ title, editors, publisher, and date of publication of the book at the above address.

With best regards,

Sincerely yours,

Bela Balassa.

Professor Willy Sellekaerts,
University of Ottawa,
Department of Economics,
Ottawa,
Ontario,
K1N 6N5,
Canada.

Bela Balassa

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2.40 6.20 3.92 2.40
7.40 164.30 27.70 7.40

236.80

200.00

63.20

Miscellaneous Jerusalem Jerusalem
Representation Jerusalem
Lunch for Messrs. Gossman, Ertug and Medina
all of each of Israel
postage, newspapers
11.00 11.00

The airline ticket has been returned to the Paris office because of a refund due on it

Paris	Jerusalem	Geneva	Paris
Fr.frs.	IL	Sw.Frs.	Fr.frs

	240.60	55.00	
	209.00	93.00	
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	12.50		

	37.80	21.30	
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300.00

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Representation	Jerusalem	lunch for Messrs Sussman, Baruch and Medina	112.00
Miscellaneous	Jerusalem	all of Bank of Israel postage, newspapers	11.00m

The airline ticket has been returned to the Paris office because of a refund due on it.

OFFICE MEMORANDUM

TO : Mr. Enrique Lerda

DATE : 19th November, 1971.

FROM : Bela Balassa.

Sent on 22nd

SUBJECT : Your draft paper on "Creditworthiness"

1. Your paper raises many interesting issues and offers new insights into the problem of creditworthiness. My comments relate more to organizational matters than to substance. It seems to me that a certain amount of reorganisation would increase the effectiveness of the paper.
2. It might be appropriate to start out with the proposition that profitability in world market prices be the first test of project appraisal, adding the proviso that account be taken of the external effects of the project. As noted in para. 20, if all projects meet this efficiency test, there would indeed be no creditworthiness problem either, provided that the adverse impact of capital inflow on domestic savings does not offset the potential gains from new investment. One should add, however, that creditworthiness may be impaired also by adverse changes in savings that occur independently of the capital inflow. The latter problem can be handled by projecting investments and savings that would occur without and with capital inflow.
3. One may then approach the problem of creditworthiness both from the point-of-view of the savings gap and the trade gap as suggested in Para 27. Your discussion of capital productivity (Paras. 21-24), savings behaviour and export-import projections (para 27) can be fitted into this framework with further attention given to the future availability and terms of foreign capital (paras 8 and 10).
4. Next, you could discuss the statistical errors involved in making projections, the assumptions made in regard to the "environment", and the policy assumptions relating to the country in question. In this connection it is useful to note that, properly defined, the environment includes the policies followed by foreign countries. In turn, poor policies of its own do not necessarily mean the lack of creditworthiness, provided that the country has good export prospects.
5. All this leads us to a probabilistic judgment as regards the country's savings and trade gaps and potential foreign borrowing, when in the process of estimation one would have to take account of the interrelationships of the variables involved. Such estimates then provide a basis for introducing two questions you raise in the paper: (a) the (mathematical) expectation of default for given policies; and (b) the policy reactions of a country in the event that unchanged policies would involve default. The latter question would, however, involve considering also non-income aspects such as employment which you note in Para. 4 but do not invoke thereafter. More generally, one would have to look at the income-distributional as well as the political implications of making domestic sacrifices for the sake of avoiding default. While such considerations lead us away from the usual field of analysis, we cannot afford to disregard them.

cc: Messrs. Chenery, Henderson, Hayes.

19th November, 1971.

Dear Steve and Ted,

On my visit to Brussels earlier this week, I had discussions with Jean Waelbroeck on the publication of our book and on your joint paper. As regards the former, Waelbroeck repeated to me his earlier statement that he would like to have the book published in the North Holland series of which he is co-editor. We agreed that I would "officially" submit to him 4-5 chapters in early 1972, including the ones so far completed, Steve's model, and my paper on monetary integration, on the basis of which North Holland can make the final decision. This would permit having the book published 6-9 months after the manuscript is completed.

I showed Waelbroeck my comments on your joint paper and he expressed agreement with the points I have made. He has also raised the question I had discussed with you but did not include in my letter concerning the possible differences between "tariff" and "price" elasticities. In the revised version, it would be necessary to consider this problem in greater detail.

With best regards,

Sincerely yours,

Bela Balassa.

p.s. Incidentally, the EEC Commission did not use your results in calculating exchange rate changes after all, because these do not separately show the United States.

p.p.s. Waelbroeck tells me that Van Peterson at the Hautes Etudes Commerciales in Montreal can be helpful on the problem of solving large systems of equations.

18th November, 1971.

Dear Mrs. Vandermeulen,

I have mixed feelings about Sellekaerts article. He overly belabours some simple and obvious points. Perhaps he could write a short note on the problems related to the assumptions underlying the method and provide results beyond 1965 that was my terminal year.

Postage is expensive and hence I am not returning the manuscript unless you expressly ask for it.

Sincerely yours,

Bela Balassa.

Mrs Alice Vandermeulen,
Western Economic Journal,
Department of Economics,
University of California,
Los Angeles,
Calif 90024.

Comments on
"How Meaningful are Empirical Studies on Trade Expansion and Trade Diversion"

by Willy Seilekaerts
University of Ottawa

p.4 Data on world market prices does not provide sufficient evidence on changes in relative prices since domestic prices have also changed during the period.

pp. 4-5. To take account of exchange rate changes, it will not suffice to express imports at constant exchange rates.

p. 5 The method does not measure static plus dynamic effects since no account is taken of the possible acceleration of growth in the union. Conclusion regarding over and underestimation is not substantiated.

pp. 5-12 Criticism concerning the use of short time-periods is irrelevant since, as noted on pp. 11-12, Balassa used longer periods. Also data for years preceding 1953 is of little use since imports were much influenced by the Korean war and by quotas. Delete: results should be provided only if they refer to a post-EEC period longer than that considered by Balassa.

p.13 Argument on trade diversion in 1959 false. Homogeneity of demand function requires that, in the absence of changes in relative prices, import shares remain the same.

p. 15. Regression technique is indeed preferable but in practice the bias will be small.

p. 16 Under the method applied the completion of internal tariff reductions by 1967 is not an argument for excluding data for later years.

pp. 19-20. Nothing new is said here. Delete.

pp. 21. There is no reason to assume that, in the absence of integration, prices in the EEC would have risen at the same rate as in other OECD countries.

pp. 22-24. Comments on clearance overly detailed.

2 copies sent to

Mrs Vandenneston

22 octobre, 1971.

Messieurs,

Je desire m'abonner à votre revue pour toute l'année 1971
et donc recevoir les copies déjà parues à partir du mois de janvier.

J'aimerais également, si il vous est possible de le faire,
que vous m'envoyiez ~~é~~ tous les numeros pour l'année 1969.

Veillez me les envoyer, ainsi que votre facture, à
l'adresse suivante:

16 Avenue Perrichont,
Paris 16e.

Veillez agréer, Messieurs, l'expression de mes sentiments
distingués.

Professeur Bela Balassa.

La Revue du Marché Commun,
3, rue Soufflot,
Paris 5e.

DECLASSIFIED

JAN 11 2017

WBG ARCHIVES

CONFIDENTIAL

Dear Joe,

Ted Truman was a student of mine some ten years ago and I have since followed his development. While, just like myself, he does not belong to the school of international economists with a mathematical bent, Ted has displayed a combination of ingenuity, common sense and perseverance in his work.

I was glad to learn that Ted's Discussion Paper No. 11 has been accepted by Economica; it contains an application of the method pioneered in his thesis to more recent data. In turn, Discussion Paper No. 16, written jointly with Steve Resnick, is an important contribution to the literature, applying a novel method in estimating import demand elasticities.

Comparisons are difficult but, among those Yale promoted to Associate Professor over the past five years, I would not rate Ted as high as Hymer or Resnick who have shown greater originality as evidenced in their published writings. Nor do I think that Ted could be considered as one of the leading lights in the new generation of international economists. But he is a good, solid scholar and on this basis, I would recommend that he be promoted to Associate Professor without tenure.

Sincerely yours,

Bela Balassa.

Professor Merton J. Peck,
Department of Economics,
37 Hillhouse Avenue,
Box 1972 Yale Station,
New Haven,
Connecticut 06520,
U.S.A.

le 19 novembre 1971.

Cher Monsieur Ronchetti,

A l'occasion de la Conférence au Mexique je vous ai parlé de mon intention de vérifier les hypothèses suivantes: (a) les différences dans la structure des prix parmi les pays membres du marché commun ont-ils diminués depuis sa création et (b) les différences entre pays en matière de prix relatifs sont elles néanmoins plus grandes que les différences entre villes?

Comme vous me l'avez indiqué, les informations adéquates pour l'année 1958 figurent dans la publication "Revenue Réels CECA". Cependant, votre publication récente "les prix de détail dans les pays de la Communauté Européenne" ne contient que les moyennes par des prix par pays mais aucune information au sujet des villes prises individuellement. Je vous serais très reconnaissant si vous vouliez bien me faire parvenir les "computer print-outs" contenant des informations sur les prix pour les différentes villes du Marché Commun.

Votre assistance a ce sujet serait fort apprécié et contribuerait au succès des recherches que j'ai entrepris. Je me permets d'ajouter que M. Raymond Barre est au courant de mes recherches et que j'en ai déjà discuté plusieurs fois avec lui et avec des directeurs de différents services à Bruxelles.

Veuillez agréer, cher Monsieur Ronchetti, l'assurance de ma considération très distinguée.

Bela Balassa.

Monsieur Silvio Ronchetti,
Directeur,
Statistique du Commerce et des Transports,
Office Statistique de la Communauté Européenne,
Centre Louvigny,
Luxembourg.

Monsieur,

Voulez vous avoir l'obligeance de m'envoyer le livre
suivant:

G. Hatton. Le commerce extérieure de la Fraace
avec votre facture à l'adresse suivante.

16, Avenue Perrichont,
Paris 16e.

Veillez agréer, Monsieur, l'expression de mes sentiments
distingués.

Professeur Bela Balassa.

Monsieur le Redacteur,
Berger-Levrault,
5, rue Auguste Comte,
Paris 6e.

18th November, 1971.

Dear Mina,

I tried to call you in the first days of November when I was in Washington but I was told that you would not be back until later this month. I would like to ask your help in connection with our study on Colombia which is carried out by Mr. Schydrowsky. We find that due to the lack of their importation it is impossible to get foreign prices for a number of commodities in Colombia. I am told that for the industrial report on Colombia some price comparisons have been made. Could you please supply these to Mr. Schydrowsky, who plans to go to Washington in the near future. I am sending a copy of this letter to him and he will contact you on the telephone.

Thanking you in advance,

I remain,

Sincerely yours,

Bela Balassa.

Mrs. Herminia Neufeld,
IBRD.
Washington.

Mr. Stevenson

18th November, 1971.

Bela Balassa.

I enclose a travel request for Mr. Schydlofsky to visit Columbia and Argentina in December. The trip is to be carried out in connection with the Development Strategies in Semi-Industrial Countries Project and it is to be financed from funds made available in Mr. Schydlofsky's consultant budget. Schydlofsky will contact your secretary to indicate the expected dates of his visit so that he can be issued with a ticket

18th NOvember, 1971.

Dear Mr. Dow,

Thank you for your recent note. I enclose a copy of a letter in which I discuss some of the problems of estimation which affect both the values of import demand elasticities and estimates of trade creation and trade diversion.

I also enclose a litterary product of a rather different character.

Sincerely yours,

Bela Balassa.

Mr. Christopher J.R. Dow,
Deputy Secretary GEneral for
Economics and Finance,
OECD.

18th November, 1971

Dear Moeen,

I am writing to you concerning a problem we have in the Columbia study in the Development Strategies in Semi-Industrial countries project. We find that due to the lack of their importation it is impossible to get foreign prices for a number of commodities in Columbia. I would like to ask you to give permission to Mr. Schydrowsky, who is my collaborator working on the Colombian study, to interview engineers in the IFC with a view to getting information from them on prices. I talked to Sanchez Marco about this before I left Washington and he said that he would be happy to help.

I would appreciate your assistance in the matter as this would be a great help to us in the research project. I am sending a copy of this letter to Mr. Schydrowsky with the request that he contact you or Sanchez Marco to find out if a visit to Washington for this purpose could be arranged.

It was good to see you in Washington and I very much hope to have the opportunity of seeing you in Paris before our departure on January 15th.

With best regards,

Sincerely yours,

Bela Balassa.

Mr. Moeen A. Qureshi,
International Finance Corporation
Room A 912.

cc: Mr. Sanchez Marco
Dr. Daniel Schydrowsky.

18th November, 1971

Dear Dani,

I enclose copies of my letters to Qureshi and Mina Neufeld. Sorry for the delay but I have been away from Paris again. I also enclose a copy of a memorandum to Mr. Stevenson asking that his office arranges for a travel advance and a ticket for your December trip to Colombia. I presume that an advance of \$600 might be sufficient.

I didn't find any good pottery in Mexico this time and bought only a small item. I had exactly the same problem in Colombia and hardly bought anything there on my last visit. The lady who had stone objects doesn't have anything in pottery but you could call her if you wanted to buy a gold piece. I got a very nice one from her but while the price was good compared to New York, it was still pretty expensive. If you call her, do not discuss such things openly on the phone. She is Mrs Joyce Heller, telephone number: 494583. Good hunting!

I would like to have your comments on my recent methodological note on Nominal Protection before you leave for Latin America so that we can straighten out any problems. Carol joins me in sending our best regards to Beverly and yourself.

Sincerely yours,

Bela Balassa.

Mr. Daniel M. Schydrowsky,
Harvard University Development
Advisory Service,
1737 Cambridge Street,
Cambridge,
MASS. 02138.

OFFICE MEMORANDUM

TO : Mr. P.D. Henderson

DATE : 17th November, 1971.

FROM : Bela Balassa

SUBJECT : Activity Report

1. Following our conversations in Washington, I have prepared a summary of my activities during the period September 1, 1970 to August 31, 1971 based on the monthly activities reports. As additional information to the enclosed report, I would like to note that, despite my increased time-input, I had to postpone work scheduled on the Export Promotion in Developing Countries research project and was unable to respond to requests for comments on several research papers in the CES as well as to invitations to head an economic mission to Nigeria and an industrial mission to Indonesia.

2. As regards the FY 1972-73, my present obligations include completing the Development Strategies in Semi-Industrial Countries and the Export Promotion in Developing Countries projects, and advising the Portuguese Government on trade policy. Depending on the demand for my services, other activities may include advising on research in the Economics Department and in the CES in general, consultations with other Bank departments, participation in economic or advisory missions, and papers for Bank management.

3. I could devote approximately 150 days to Bank work in FY 1972-73. Spending a greater amount of time last year necessitated working regularly on Saturdays for the Bank at the expense of other obligations. On the other hand, reducing time devoted to Bank work much below 150 days would limit my activities almost entirely to the two research projects and to advisory work on Portugal, the completion of which would take about 90 to 100 days of my time.

cc: Messrs Chenery, Stevenson, ul Haq.

Activities Report
September 1, 1970-August 31, 1971
Bela Balassa

<u>Research</u>	<u>Days</u>
Structure of Protection in Developing Countries: Final revisions	8½
Development Strategies in Semi-Industrial Countries: Preparation of methodological papers, meetings and consultations with contributors	29
Trade Policies in Developing Countries (invited paper delivered at the meetings of the American Economic Association). Circulated as E.S. Working Paper No. 95; subsequently published in the <u>American Economic Review</u> , May 1971	5
Effective Protection: A Summary Appraisal (invited paper delivered at the Geneva Conference on Effective Protection). Circulated as E.S. Working Paper No. 101; subsequently published in <u>Effective Tariff Protection</u> , Geneva, 1971	5½
Project Appraisal in Developing Countries. Circulated as E.S. Working Paper No. 119. To be published in a volume in honour of Jan Tinbergen and, in a different form, in the <u>Journal of Political Economy</u> , January-February 1972.	7
Regional Integration and Trade Liberalisation in Latin America (invited paper delivered at the Sao Paulo Conference in Latin American Integration). Circulated as E.S. Working Paper No. 120. To be published in the <u>Journal of Common Market Studies</u> and, in Spanish translation, in <u>El Trimestre Económico</u> .	3
Indicators of Protection and Other Incentive Measures (invited paper prepared for the Quernavaca conference on Latin American research). To be published in the Proceedings of the Conference.	2
Export Promotion in Developing Countries -- preliminary work	2½
	<hr/> 62½
<u>Service</u>	
Report on Economic Research in the Bank	17
Acting Research Adviser; Bank Research Committee	19
Committee on the Development Research Center	6
Comments on research and policy papers prepared in the CES	4½
Comments on research and consultations, other Bank Departments	8½

Advising the Mexican government on tariff policy. Advisory Report published in Spanish translation in <u>Comercio Exterior</u>	10½
Advising the Korean Government on tariff reform	6
Mr. McNamara's trade policy speech	7½
Industrialisation section destined for the Annual Report	13
Mr. McNamara's speech at the Annual Meeting	1
	<hr/> 93
<u>Other</u>	
International Meetings (see section on research)	6½
Liaison with international agencies (OECD)	2
Miscellaneous (includes participation at meetings, reading of routine papers, short comments on papers and consultations)	21
	<hr/> 29½
Grand Total	<hr/> 185 <hr/>

15th November, 1971.

Dear Leah,

I read your Chapters I and VIII with interest. I am afraid, however, that they will need more work before we can discuss the scheduling of the Board Oral. I am returning the chapters with marginal comments under separate cover.

Chapter I is rather thin in its present form. Several issues are raised (e.g. inflation, terms of trade) only to be dropped afterwards. The chapter should be strengthened by concentrating on the principal issues relating to your thesis and dropping the rest. Some erroneous statements also need to be corrected.

For example, there was considerable stimulus from the export sector to other sectors in the major Latin American countries before 1929, with service industries and manufacturing developing in response to demand generated by the export sector. Nor did the majority of the population live on subsistence agriculture in countries such as Argentina and Chile. In turn, the import substitution policy was not abandoned in the late sixties; despite efforts to expand exports, it continues to be dominant on countries such as Argentina and Brazil. At any rate, references to policy changes should come after your discussion of Prebisch's views; there is no need to talk about Furtado as he came later and had limited influence.

On the need for change, cf. my February 1970 QJE and May 1971 AER articles. In the papers I also note that policy-induced supply deficiencies rather than external circumstances were the main factors adversely affecting exports. I also believe I sent you my recent paper on Latin American integration; if not, write to my secretary, Miss Anne Jeffery in Washington, for it.

Section 1.3 is also weak and it does not live up to its title which promises a discussion on the theory of import substitution. In turn, Chapter VIII has little connection with Chapter I and generally falls flat. 8.1 is too brief and belongs to the first chapter. 8.2 needs expansion and some summary figures and the meaning of the results of 8.3 is not made clear. You should consider combining 8.2 and 8.3 and focus squarely on the question how much import substitution has taken place. In this connection recall that Chenery regards the negative size (population) coefficient as an indication of import

substitution. Introducing a dummy variable for country size picks up this effect, hence it is hardly surprising that the size coefficient is affected thereby. At any rate, the meaning of the dummies should be explained.

All this may sound rather negative but I would prefer you to revise the paper at this stage so as to avoid getting adverse reactions from the Commi-tee.

With best regards,

Sincerely yours,

Bela Balassa.

p.s. Thank you for your invitation to visit your University. I will try to come but cannot give a final answer before I am again settled in the States.

Mrs. Leah Smith,
North Carolina State University,
Department of Economics,
Box 5368 Zip 27607.
U.S.A.

cc: Dr. Neuman
Telus Hopkins University

17th November, 1971.

Dear Mr. de Melo,

As Mr. Wen has undoubtedly told you, I would like to ask your assistance in some work I am doing on the Common Market. I can offer to pay you the maximum rate received by second-year students who work as research assistants. Please ask around to find out what this is and let me know.

For your use, and Mr. Wen's, I provide here a description of what I am trying to do with price data. This involved testing the hypotheses that (a) intercountry differences in relative prices are greater than intercity differences but these discrepancies have declined since the Common Market's establishment, and (b) the structure of prices in the ~~market~~ ^{member} countries of the Common Market has become more similar since its establishment.

To test these hypotheses, one should calculate the coefficient of variation, both for 1958 and for 1970, from price ratios of a sample of commodities as between countries and as between cities. Information on the prices of particular commodities in major cities of the Common Market countries as well as their averages for the individual countries in 1958 is contained in the Revenus réels CEECA, 1954-58. In turn, information on average prices in the individual countries in September 1970 is contained in Les prix de détail dans les pays de la Communauté Européenne. I will try to obtain data on prices in individual cities in 1970 from the EEC Statistical Office.

However, the sample of commodities in the two studies is different; it is much larger for 1970 than for 1958. My request to you is to identify the items in the 1970 sample with their counterparts in 1958; in some cases this would involve taking a simple average of several items in 1970. You should then supply the results to Mr. Wen who will transfer the data onto the computer. In the meantime, he can put the 1958 data on the computer and proceed with the calculation of the coefficient of variation from price ratios between (a) any two countries, and (b) any two cities in the EEC for that year. The data should be coded in such a way as to permit making separate calculations for (1) Food, beverages, and tobacco; (2) clothing and shoes; (3) Heating and electricity; (4) Furniture and household equipment; (5) Medical and health expenses; (6) Transportation and communications; (7) Entertainment and cultural expenditures, and (8) Other goods and services. Moreover, within each group, services should be separated from tradeable goods so as to permit

- 2 -

us to find out if price relatives for the two behave differently as international trade theory would lead us to believe. I wish to add that the eight commodity categories come from the 1970 book but I presume that the 1958 sample can be classified in the same way.

Please let me know if there are any questions.

With best regards,

Sincerely yours.

Bela Balassa.

Mr. Jaime de Melo
3034 Guilford Ave,
Balto, 21218,
(301)-243-1028.
U.S.A.

Examiner

SECTION F. EXPENSES

LIST EXPENSES BY CITY AND CURRENCY

City	Paris	Quernavaca	Mexico	New York	Washington	Paris	Paris
Currency	Fr.frs	pesos	pesos	\$	\$	Fr.frs	Fr.frs.
Hotel - Room and Tax		paid	318	own	88.20		
Meals		by	206	arrange	47.80		
Tips		Confer-	206	ments			
Valet		ance			772		
Taxi	25		85		13.70	25	
Baggage Handling	5		25		3.80	5	
Airport Tax							
Other:							
Telephone							
Cables							
Representation							
Transportation			250				
Miscellaneous							
Totals by Currency	50		884		161.22	30	
Exchange Rates	5.30		12.50		-	5.30	
Totals - U.S. Equiv.	5.47		70.72		161.22	5.47	242.88
Net Advances (from Sect. E)							200.00
Balances - U.S. Equiv.							42.88

SECTION G. EXPLANATION FOR OTHER EXPENSES LISTED ABOVE

[illegible]

I certify that the tickets provided to me by the Bank Group were used as issued or if transportation and/or routing was rearranged by me, that an explanation is attached and that I did not receive a refund in connection with such change in transportation or re-routing. I certify further that the statements herein set forth, correctly reflect expenses incurred and that I have not received and will not claim reimbursement from any other source.

Signature of Staff Member

Date _____

I confirm that the above itinerary was undertaken for the purpose of official business, except where personal leave is noted, and that the claims for representation are appropriate in terms of the types of function and the number of people entertained.

Signature of Approval

Date of Approval

Sent to Mrs Stanley Armstrong

12th Nov 1944

17th November, 1971.

Dear Mr. Wen,

I was glad to learn from your letter that the Revenus Reels volume has been found. I enclose a copy of a letter to Mr. de Melo, in which I recapitulate the method of estimation to be used. I also enclose a list of data I have asked ~~Professor~~ Resnick to send you. Please let me know how you are proceeding with your work. On the trade data, add Canada to the list of trade partners of the Common Market countries.

With best regards,

Sincerely yours,

Bela Balassa.

Mr. Yin-Kann Wen,
McCoy Hall, Apt. 616
3401 N. Charles Street,
Balto, 21218,
(301)235-9653.

15th November, 1971.

Dear Dr. Zottmann,

This is to ask your permission to republish my paper
"Industrial Policies in Taiwan and Korea" in a volume edited by
Di Marco, International Economics and Development. The volume is
published in honour of Raul Prebisch. Please send a letter
giving your permission to: ~~the~~

Mrs Sheila MacKay,
The Academic Press, Inc.
111 Fifth Avenue,
New York N.Y. 10003.
U.S.A.

Sincerely yours,

Bela Balassa.

Dr. Anton Zottman,
Weltwirtschaftliches Archiv,
Institut für Weltwirtschaft an der
Universität Kiel
Germany.

15th November, 1971.

Dear Sirs,

Please send me your second conference volume on the possible effects of British entry into the Common Market. I would also like to have a copy of your 1966 conference report on "Problems of Scale in Europe".

Yours faithfully,

Bela Balassa.

The Federal Trust for Education and Research,
12 a Maddox Street,
London W.1.
England.

15th November, 1971.

Dear Mr. Eaton,

In answer to your letter, I wish to inform you that Professor Westphal of Princeton is likely to have longer series for export exchange rates in Korea. For the Philippines consult "The Structure of Protection in Developing Countries" which was published this year by the Johns Hopkins University Press.

Sincerely yours,

Bela Balassa.

Mr. Jonathan W. Eaton,
Lowell B-24,
Harvard College,
Cambridge, Mass.
02138.
U.S.A.

15th November, 1971.

Dear Mrs. MacKay,

In response to your letter of November 2nd I enclose the appropriate form concerning my affiliation and address. I am also asking the Weltwirtschaftliches Archiv for permission to reprint my paper in your volume. The permission will be sent to you direct.

Sincerely yours,

Bela Balassa.

Mrs. Sheila MacKay,
The Academic Press, Inc.
111 Fifth Avenue,
New York N.Y. 10003.
U.S.A.

15th NOvember, 1971.

Dear Professor Sheahan,

I enclose a copy of my report on the Korean Tariff Reform. As you will see on reading it my ideas are rather similar to yours which you expressed in the papers I had read with much interest.

Please excuse the delay in sending you my report.

Sincerely yours,

Bela Balassa.

Professor John Sheahan,
Williams College,
Williamstown,
Mass.
U.S.A.

15th November, 1971.

Dear Bela,

Many thanks for your letter of October 18th which reached me after some delay in Paris where I will be until January. I sent you in Budapest a copy of my book "The Structure of Protection in Developing Countries" together with some reprints. I am afraid that as my reprints are packed away I cannot now send you copies to Lima. I will, however, do so upon my return to Washington.

It is not likely that my travels would take me to Lima this year. However, if they do I will certainly look you up. Otherwise we will meet in Budapest in 1973 or 1974.

Sincerely yours,

Bela Balassa.

Mr. B Kadar,
Ave. A. Benavidez 602,
Depto 1101,
Miraflores,
Lima,
Peru.

15th November, 1971.

Dear Sir,

I enclose a check for 14 \$ in payment of your bill
No. 60077.

I wish now to order the following publications:

PEP broadsheets

507. The Role of American Investment in the British Economy, 1969

514 Non-Tariff Distortions of Trade. 1969 ✓

526 A.A New Economic Mechanism in Hungary. ✓ G.R. Denton.

PEP/Chatham House European Series.

✓ Planning in the EEC: The Medium Term Economic Policy Programme of the
EEC. Geoffrey Denton. 1967.

✓ Trade Unions and Free Labour Movement in the EEC. R. Colin Beever. 1969

Sincerely yours,

Bela Balassa.

Research Publications Services Limited
Victoria Hall,
East Greenwich
SE 18 6RF.

15th NOvember, 1971.

Dear Julio,

Many thanks for your letter of October 29th. In the meantime I sent you additional copies of the paper and of my earlier letter to your home address.

Geeting to the substance of your letter, your method looks fine to me and I wish you the best for your continuing work.

Sincerely yours,

Bela Balassa.

Mr. Julio Berlinski,
Pueyrredon 336,
8º piso, Dpto 25,
Buenos Aires,
ARGENTINA.

November 12, 1971

Dear Mrs. Dippe:

I return herewith the proofs of my paper. As I do not have the original with me, I have not been able to check it. May I ask you therefore to have the proofs read in your office.

Please let me know the exact title of the volume, the publisher and the date of publication. I would also like to know if the volume will appear in English. Finally, I wish to ask you to reinstate the original title of my article "Der neue Wirtschafts-mechanismus in Ungarn". Please send all correspondence to the above address.

Sincerely yours,

Bela Balassa

Encls.

Mrs. Gisa Dippe
Publikationsreferentin
Bundesinstitut
für Ostwissenschaftliche und Internationale Studien
5 Köln 30
Ehrenfeld
Lindenbornstr. 22

BB:eg

November 12, 1971

Dear Sir:

In sending you the papers relating to the visa of Madame Olivia Adriana de Paula, I have inadvertently omitted a certificate signed by the U.S. Consul in Paris. I enclose this together with Form DSL-852.

Yours sincerely,

Bela Balassa

Encls.

U.S. Department of Labor
Manpower Training and Employment Services
Administration for the District of Columbia
in c/o Mr. Richard Panati
Immigration & Interarea Recruitment Specialist
Division of Job Opportunities
Room 341
E.S. Building
500 C Street, N.W.
Washington, D.C. 20212

18th November, 1971.

Cher Monsieur,

Je confirme l'abonnement au Bulletin des Communautés Europeennes pour l'année 1970 au prix de Frs. Belges 250. Veuillez envoyer le bulletin à l'adresse indiquée ci-dessous:

M. le Professeur Bela Balassa,
16 Avenue Perrichont,
Paris 16e
France.

Veuillez envoyer les numeros de l'abonnement 1971 qui paraîtront apres la fin de l'année à mon adresse aux Etats Unis:

The Johns Hopkins University,
Baltimore,
Maryland 21218

J'aimerais également recevoir, en photo-copie, les numeros du Journal Officiel antérieures à l'année 1966 qui sont indiqués sur ma liste ci-jointe.

Veuillez me faire savoir quel taux de change il faut utiliser en payant vos factures en francs français.

Veuillez agréer, cher Monsieur, l'expression de mes sentiments distingués.

Professeur Bela Balassa.

Monsieur G. Weisgerber,
Office des Publications Officielles
des Communautés Européennes,
37, rue Glesener,
Luxembourg.

9th November, 1971.

Dear Steve and Ted,

I have now had the chance to read your paper more carefully. My evaluation remains basically the same. The methodology is very ingenious and provides a new departure as far as the estimation of import demand elasticities is concerned. However, the choice of the domestic price variable introduces a possible bias in the estimation of the grand import equation and that of trade creation - trade diversion. Let me start with a simple theoretical model and get to the problem of estimation afterwards.

We can postulate that traded goods are close substitutes while traded and non-traded goods are not. In the extreme, the elasticity of substitution between the latter two is zero so that we can exclude from our purview non-traded goods. Although this is an extreme assumption, it will encounter little opposition, I believe, and if one thinks otherwise the substitution for tourist flows would also need to be considered.

Let us proceed in terms of a three-country and three-commodity model where each country produces one commodity and imports the other two under protection. The elimination of tariffs on trade between countries A and B will now lead to trade creation as well as trade diversion (against C). Assuming that in every country the elasticity of substitution is the same among the three pairs of goods, trade creation would equal trade diversion if, at the outset, each country's consumption of traded goods were equally divided between the three goods. However, in the presence of tariffs, consumption patterns will be distorted in favour of domestic goods and the share of these goods is raised further by the existence of transportation costs, preference for domestic goods, the availability of retail and repair facilities etc. These factors will not, however, affect the choice on the margin so that the assumption of equal substitution elasticities may be retained. Under this assumption, then, trade creation will outweigh trade diversion, since there is more to "substitute against" domestically following the elimination of tariffs between countries A and B.

Your empirical results are different; you find that diversion exceeds trade creation both in the EEC and EFTA. In the face of the large share of domestic production in the consumption of traded goods in the countries in question (Ted's study shows that for manufactured goods, this share

exceeded nine-tenths in both France and Germany), the results imply that substitution elasticities are very much higher between foreign goods originating from different countries than between domestic and foreign goods. Indeed, substitution elasticities would appear to be substantially higher between the goods of two countries in foreign markets than in the markets of any one of them. (While I have arrived at this conclusion by arguing backwards from your trade creation-trade diversion estimates, a check could be provided by rerunning the share regressions so as to obtain substitution elasticities).

As these results do not agree with our theoretical expectations, we have to look for the culprit in the estimation procedure which seems to be your choice of the domestic price variable. While export price indices are employed in regard to foreign goods, for domestic goods the GNP price deflator is used which includes a variety of non-traded goods (services), often accounting for more than one third of GNP. For various reasons, this choice is likely to entail a downward bias in the estimation of import demand elasticities in the grand import equation that is used to estimate trade creation.

First of all, as noted above, there is less substitution between traded and non-traded goods than between traded goods. Also, prices of traded goods tend to fluctuate more rapidly than service prices and substitution relationships make them move together, thereby dampening fluctuations in the ratio of traded goods prices while such fluctuations will persist if the denominator is the GNP deflator. Accordingly, estimated import demand elasticities tend to be smaller if the latter is used instead of a price index for domestically produced traded goods. Finally, there will be a downward bias due to errors in the independent variable which are due to the use of the "wrong" price index.

These considerations suggest the need to experiment with other price variables. Consistency would require using export prices but wholesale prices and the deflator for GNP other than services could also be used. While the greater similarity in the commodity bundles considered may increase the standard errors of the coefficients, it is worth a try to avoid possible biases in the estimation.

I come now to your objection that the use of different deflators for money GNP and for import prices would be incorrect from the theoretical point of view since the demand function would no longer be homogeneous. I do not think that this objection would be correct. The homogeneity of the function should hold in terms of all prices -- i.e. if domestic as well as import prices double the amount imported remains the same -- and it is immaterial whether one or two domestic price indices are used.

I would like to have your reactions to all this as there may be errors in my argumentation. But the proof of the pudding is in the eating, i.e. finding out whether the use of alternative domestic price variables would indeed raise the values of the estimated price elasticities in the grand import equation. This is of considerable interest since the results

have important implications for the trade creation-trade diversion issue as well as for the estimation of exchange rate changes needed to remedy balance-of-payments disequilibria.

I enjoyed seeing you and look forward to our next meeting in January.

With best regards,

Sincerely yours,

Bela Balassa.

p.s. I enclose a list of data, with the request that whatever is available be sent to my assistant so that he can update the figures.

Data Requested by Bela Balassa and to be sent to Yin-Kann Wen
Mc Hall, Apt. 616, 3401 North Charles Street, Baltimore,
Maryland 21218

Series for the period 1953-1968 with the indication of sources
for the individual EEC countries.

1. Gross domestic product in real terms
2. G.N.P. deflator
3. Deflator for GNP less services
4. Wholesale price index
5. Export price index
6. Import price index
7. Exports, total
8. Exports, intra-EEC
9. Imports, -total
10. Imports, intra-EEC
11. Export price index
12. Import price index.

9th November, 1971.

Dear Mr. Tower,

Thank you for your letter of October 28th. I am afraid, however, that I will not be able to read your paper until I return to the United States in January.

As regards your questions concerning the U.S. uniform tariff equivalent, the only other estimate I know of was in my JPE December 1965 article.

I hope that this information will be helpful to you.

With best regards,

Bela Balassa.

Mr. Edward Tower
Senior Lecturer in Economics
The University of Auckland,
Private Bag,
Auckland,
New Zealand.

8th November, 1971.

Dear Don,

Many thanks for your letter of October 25th. While your student looks impressive, I am afraid that we are completely covered in the money field and will not make any further appointment.

I am sorry for not being able to be of help.

With sincere regards to Karen and you,

Bela Balassa.

Professor Donald B. Hester,
Social Systems Research Institute,
1180 Observatory Drive,
Madison,
Wisconsin 53706,

8th November, 1971.

Dear Mr. Lopez,

Thank you for your letter of October 20th. I will indeed be happy to see my two letters published by you. I wish to add that it is customary to pay a fee of \$50 for the reprint of each article.

Sincerely yours,

Bela Balassa.

Mr. José García López,
Ministerio de Hacienda,
Instituto de Estudios Fiscales,
Madrid,
Spain.

8th November, 1971.

Dear David,

As I indicated to you on the phone, I will be happy to Advise researchers at the Korean Development Institute on projects relating to Industry, Trade and the Balance of Payments. I enclose a copy of my Advisory Report on the Korean Tariff Reform, as well as my curriculum Vitae and Publication List.

With best regards,

Sincerely yours,

Bela Balassa.

Professor David Cole,
Development Advisory Service,
Harvard University,
Cambridge, Mass.
U.S.A.

8th November, 1971.

Dear Sir,

I return the galley proofs, the edited manuscript and the reprint order forms of the article "Domestic Resource Costs and Effective Protection Once Again", written jointly with Daniel M. Schydrowsky.

In my letter of September 21st I indicated that I do not have the manuscript of the Krueger article with me, and asked that our references to the article be checked against the version which is to be published in the same issue as our paper as well as with the article by Bruno. This has apparently not been done and I can only hope that the text of the Krueger article has not changed in the final revision and thus our references are ~~exact~~. Incidentally, may I assume that our paper will follow immediately the Bruno and Krueger papers in the January-February 1972 issue?

If there are any questions, please send me a telegram at the address on the letterhead or telephone Paris 720.2510.

With best regards,

Sincerely yours,

Bela Balassa.

Journal of Political Economy
SS 401,
1126 E. 59th Street,
Chicago, Illinois 60637.

OFFICE MEMORANDUM

TO : Mr. P.D. Henderson

DATE : 8th November, 1971.

FROM : Bela Balassa.

file copy

SUBJECT : Back to Office Report, October 28 - November 3.

1. On October 28th and 29th, I participated at the sessions of the last two days of the week-long Conference on "The Role of the Computer in Economic and Social Research in Latin America"; Irma Adelman and Peter Clark of the DRC also attended. As the enclosed programme indicates, there was discussion at the Conference of the paper "Indicators of Protection and Other Incentive Measures", which I wrote jointly with Daniel Schydrowsky. A revised version of the paper will be available shortly.
2. During my stay in Mexico, I also had discussions with Leopoldo Solis of the Presidencia and with Gerardo Bueno of the Nacional Financiera on the export subsidy scheme and on efforts made to reform the system of protection in Mexico. I am told that while industrialists welcome the export subsidy scheme they are dissatisfied with its practical application. Complaints are raised against the handling of the scheme by the Ministry of Finance, which makes favourable decisions on export subsidies dependant on the fulfillment of additional conditions such as the submission of detailed tax reports and data on the profitability of exports. It is hoped, however, that, in conformity with my earlier suggestions, the export subsidy scheme will be made automatic.
3. Discussion continues on the reform of the system of protection which would entail reducing the absolute level as well as inter-industry differences in rates of protection. While the U.S. measures presently applied are not conducive to reducing protection, it is expected that work on this problem will get seriously under way in the first half of next year.
4. In Washington (November 1 and 2) I participated at the meeting on Mexico as well as at the meeting of the Research Committee. I also saw several people within and outside the Central Economic Staff, including Mr. Kalmanoff with whom I discussed the work of the Industrial Mission to Spain. I had been asked earlier to participate in the mission as advisor on industrial policies but, due to other obligations, I have not been able to comply with this request.

cc: ✓ Chenery Edgar Gutierrez/Wright ✓ A1136 Lerdaу, Enrique ✓
 Stevenson Pedro-Pablo Kuczynski ✓ A1139. Mrs Adelman, Irma ✓ D 432.
 ✓ Mrs. Hughes Rogu. S. Nelson ✓ A 1117 Peter Clark. ✓ H 313.
 Guy Pierre Pfefferman ✓ A 1114 Development Research Center.

El Colegio de México

Instituto Torcuato Di Tella

Fundação Getulio Vargas

National Bureau of Economic Research

Consejo Latinoamericano de Ciencias Sociales

CONFERENCE ON
THE ROLE OF THE COMPUTER IN ECONOMIC AND SOCIAL RESEARCH IN LATIN AMERICA

PROGRAM

SESSION 1. THE COMPUTER AND GOVERNMENT STATISTICAL SYSTEMS

Chairman: Richard Ruggles, Yale University and National Bureau of
Economic Research, USA

1. Electronic Processing of the Data of Mexico's 1970 Population Census
Ruben Gleason Galicia and Collaborators, Dirección General de Estadística,
Mexico
Discussant: Juan Sourrouille, Argentina
2. Computerized Reporting of Census Data for Small Areas: A Promising New
Technique for the 70's
George H. Brown, U.S. Bureau of the Census
Discussant: Bernardo Ferran, Banco Central de Venezuela
3. The Statistical System of Brazil
Isaac Kerstenetzky and A. C. Olinto, IBGE, Brazil
Discussant: Enrique Cansado, CIENES, Chile
4. The Statistical System of Canada
Simon Goldberg and Ivan Pellegi, Dominion Bureau of Statistics, Canada
Discussant: Carlos Petit, IBM World Trade Corporation, USA

Special Papers:

The Application of Computers in the Economic and Social Fields in a
Developing Country: Cuba

Orlando Carnota Lauzán, Instituto de Economía, Universidad de La Habana, Cuba

The National Inscription Service: A System of National Information

Ernesto Rojas Morales y Alfonso González Caro. Departamento Adminis-
trativo Ncl. de Estadística,
Colombia

Sistemization of the brands and patents register

Francisco Brückner Sandoval y Tubal González Téllez, Departamento Administrativo
Nacional de Estadística,
Colombia

Towards an Integrated System of Statistical Data Processing

Nicolás Dib David, Augusto Hernández López y Hernando Pulido Osuna,
Departamento Administrativo Nacional de Estadística,
Colombia

SESSION 2. DATA BANKS AND COMPUTER CENTERS

Chairman: Pascual Palazzo, FIEL, Argentina

1. The CLACSO Data Bank

Malvina Segré and Manuel Mora y Araujo, Fundación Bariloche

Discussant: Luis Cossio, Banco de México

2. Computer Centers in Venezuela

Carlos Domingo, Universidad Central, Venezuela

Discussant: Ernesto Rojas Morales, DANE, Colombia

3. NBER Time Series Data Bank

Charlotte Boschan, National Bureau of Economic Research, USA

Discussant: George Sadowsky, Urban Institute, USA

4. Micro-Economic Data Banks: Problems and Potential

Harold Watts, University of Wisconsin, USA

Discussant: Stanley Lebergott, Wesleyan University, USA

Special Paper:

The CELADE Data Bank

Julio Morales, CELADE, Santiago, Chile

SESSION 3. COMPUTER SIMULATION MODELS

Chairman: Alberto Petrecolla, Instituto Torcuato Di Tella, Argentina

1. A Simulation Model of the Economy of Brazil

Thomas H. Naylor, Duke University, USA; Martin Shubik, Yale University, USA;

Moacyr Fioravante, Fundação Getulio Vargas and Ibrahim A.S. Ibrahim, Duke University, USA

Discussant: Antonio Barrera, Fundación para la Educación Superior y el Desarrollo, Bogotá, Colombia

2. Uses of Tax Files Combined with Field Surveys

Benjamin Okner and Joseph Pechman, The Brookings Institution, USA

Discussant: Sherman Maisel, Board of Governors of the Federal Reserve System, USA

3. Simulation of Social Security Systems

James H. Schulz, Brandeis University, USA

Discussant: Irma Adelman, I.B.R.D., USA

4. Microanalytic Simulation of Household Behavior

Guy Orcutt, Harold Guthrie, Steven Caldwell, Sarah Kelly, Gerald Peabody and George Sadowsky, The Urban Institute, USA

Discussant: Martin Shubik, Cowles Foundation and Yale University, USA

5. The Argentine Cattle Cycle - A Simulation Model of an Economic Sector

Julio Gamba, Universidad de Buenos Aires, Argentina

Discussant: David Kresge, New York University and National Bureau of Economic Research, USA

SESSION 4. MACRO-ECONOMIC MODELS
Chairman:

1. Development Models for the Brazilian Economy
Janes de Souza, Fundação Getulio Vargas and Jorge Vianna Monteiro, Pontificia Universidade Católica do Rio de Janeiro, Brazil
Discussant: Denise R. Rausch Ford, University of British Columbia, Canada
2. Macro-Econometric Model Building in Latin America: The Mexican Case
Lawrence Klein, University of Pennsylvania and Abel Beltran del Rio, Wharton EFA, Inc., USA
Discussants: J. Dagnino Pastore, FIEL, Argentina and Leopoldo Solís, Secretaria de la Presidencia, Mexico
3. Economic Alternatives for Mexico: A Quantitative Analysis
Alan S. Manne, Stanford University, USA
Discussant: Saúl Trejo, Secretaría de la Presidencia, Mexico
4. Views of Development Under Conditions of Reduced External Dependence, A Quantitative Analysis
Alejandro Foxley, CEPLAN, Chile
Discussant: Eduardo Garcia, Universidad Católica, Chile

SESSION 5. ROUND TABLE ON THE COMPUTER AND SOCIETY

Panel Members:

John Meyer, National Bureau of Economic Research and Yale University, USA
Sherman Maisel, Board of Governors of the Federal Reserve System, USA
Santiago Friedman, Organization of American States
Gustavo Pollitzer, Universidad de Buenos Aires, Argentina

SESSION 6. DEMOGRAPHY, MANPOWER, EMPLOYMENT, AND EDUCATION
Chairman: Victor L. Urquidi, El Colegio de México

1. The Use of the Computer to Generate Family Data based on Information in The Census of Population
Valdecir F. Lopes, CELADE, Chile
Discussant: Ricardo Alvarado, El Colegio de México
2. The Short-Term Demand for Manpower
Alejandro Grajal, Centro de Estudios del Futuro, Universidad Católica
Andres Bello, Venezuela
Discussant: M. Ishaq Nadiri, National Bureau of Economic Research, USA

3. A Simulation Model of Student Flow in Mexican Education
Ernesto Schiefelbein, Centro de Estudios Educativos, México
Discussant: Gustavo Cabrera, El Colegio de México
4. The Role of the Computer in the Processing of Life Histories
Harley Browning, Population Research Center, University of Texas, USA
Discussant: Leon Tabah, Institut National D'Etudes Demographiques,
France
5. The Use of the Computer in the Study of Interrelations between Demographic
and Economic Variables
Carmen Arretx and Angel Fucaraccio, CELADE, Chile
Discussant: Paul Demeny, Population Studies Program, East-West Center,
Honolulu, E.U.A.

SESSION 7. INTERNATIONAL COMPARISONS OF INCOME, CONSUMPTION AND PRICES
Chairman: Joseph Grunwald, The Brookings Institution, USA

1. International Comparisons of Income, Consumption and Prices
Irving Kravis, University of Pennsylvania and National Bureau of Economic
Research, and Robert Lipsey, Queens College and National Bureau of Economic
Research
Discussant: Arturo Meyer, The Brookings Institution, USA
2. Computing Aspects of Latin American Comparisons of Consumption and Income
Howard Howe and Roberto Villaveces, The Brookings Institution, USA
Discussant: Roger Betancourt, University of Maryland, USA
3. The Use of the Computer in Handling Large Price Files
Jorge Salazar, The Brookings Institution and ECIEL, USA
Discussant: Zoltan Kenessey, United Nations
4. The Experience of the European Economic Community in Calculating Price
Comparisons
S. Ronchetti and M. Bertaud, European Economic Community, Luxembourg
Discussant: Joel Popkin, Bureau of Labor Statistics, USA

SESSION 8. INTERNATIONAL TRADE PATTERNS AND COMMODITY MARKETS
Chairman: Norberto González, ILPES, Chile

1. Indicators of Protection and of the Other Incentive Measures
Bela Balassa, I.B.R.D. and Johns Hopkins University, and Daniel Schydlowsky,
Harvard University, USA
Discussant: Carlos Diaz-Alejandro, Yale University, USA
UNCTAD
2. A Preliminary Assessment of Trade Projections for Under-developed Countries
Julian Gomez, UNCTAD and V.K. Sasrty
Discussant: Eligio Aldes, ILPES, Chile

3. Policies of Foreign Trade and Economic Development Analyzed on the Basis of Numerical Experimentation

Juan Pablo Pérez Castillo, Lourdes Yero and Luis Leal, Universidad Central de Venezuela

Discussant: Juan Ayza, ILPES, Chile

4. An Example of Computer Simulation of Economic Development: The Effects of Alternative Trade Policies on the Colombian Economy

Harold Luft, Harvard University, USA

Discussant: Gustav Ranis, Yale University, USA

SESSION 9. SUMMARY SESSION

Rapporteurs: Richard Ruggles, National Bureau of Economic Research,
Yale University, and

Antonio Celso Pastore, Faculdade de Economia e Administração
Universidade do São Paulo



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Correspondents / Participants From: Bela Belassa To: Mohammad Khan		
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Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.
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Withdrawn by Ann May	Date 13-Jan-17	

5th November, 1971.

Dear Mr. Dow,

I enclose a paper by Messrs Resnick and Truman on the estimation of import demand elasticities. The final results show somewhat lower elasticities than the ones I communicated to you verbally on the occasion of our last meeting.

I would be happy to discuss the implications of these results with you if you wish it.

With best regards,

Sincerely yours,

Bela Balassa.

p.s. You may wish to pass the paper on to Stephen Marris; I am afraid I do not have another copy to send him.

Mr. Christopher J.R. Dow,
Deputy Secretary General
for Economics and Statistics,
OECD,
2, rue André Pascal,
Paris 16e.

5th November, 1971.

Dear Mr. Molitor,

I enclose a paper by Messrs Resnick and Truman on the estimation of import demand elasticities. The final results show somewhat lower elasticities than the ones I communicated to you verbally on the occasion of our last meeting.

The paper uses a novel methodology but it raises certain questions concerning the estimation of the total import demand elasticities. I would be happy to discuss the implications of the results with you on my next visit to Brussels on November 15th and 16th. We might perhaps have a joint meeting with Messrs Tavitian and Waelbroeck. I am sending copies of the paper to them also.

Mr. de Creft will arrange my schedule. Should you want us to meet you may wish to contact him.

With best regards,

Sincerely yours,

Bela Balassa.

Mr. Bernhard Molitor,
Directeur Economies Nationales
et Conjoncture,
Affaires Economiques et Financieres,
Commission des Communautés Européennes,
200 rue de la Loi,
1040 Bruxelles.

5th November, 1971.

Dear Jean,

Resnick and Truman told me that they have sent you a copy of their paper on import demand elasticities. I have sent copies today to Messrs Molitor and Tavitian and suggested that we might perhaps have a small meeting to discuss some of the implications of the paper on my next visit to Brussels on November 15th and 16th.

Looking forward to seeing you,

I remain,

Sincerely yours,

Bela Balassa.

Professor Jean Waelbroeck,
CORE,
54, rue de Croy,
Louvain,
Belgique.

5th November, 1971.

Dear Mr. Wickham,

I am happy to inform you that I will be able to prepare the paper for the Cambridge Conference on Development 1972. Please excuse the late answer which was due to my prolonged absence from Paris.

Sincerely yours,

Bela Balassa.

B.W. Wickham,
Conference Secretary,
The Cambridge Conference
on Development 1972,
Overseas Studies Committee,
c/o University College,
Cambridge.
England.

le 5 novembre, 1971.

Cher ami,

Je vous envoie ci-joint le papier sur les élasticités à l'importation. J'ai également envoyé une copie à M. Molitor en lui suggérant que nous pourrions peut-être avoir une petite réunion entre vous, lui et Jean Waelbroeck pour discuter des questions posées sur le papier.

Je serai à Bruxelles le 15 et 16 novembre; M. de Creft a bien voulu accepter d'organiser mon programme pour ces deux jours.

En espérant avoir le plaisir de vous voir lors de ma prochaine visite, je vous prie de croire, cher ami, à l'expression des mes sentiments les meilleurs.

Bela Balassa.

Monsieur Roland Tavitian,
Directeur Structures et
Développement Economique,
Affaires Economiques et Financieres,
Commission des Communautés Europeennes,
200, rue de la Loi,
Bruxelles 1040.

Paris, le 5 novembre, 1971

Cher Monsieur de Creeft,

Au sujet de ma visite à Bruxelles les 15 et 16 novembre que vous avez bien voulu organiser, je vous demanderai ne noter que j'ai pris rendez vous avec M. Boyer de la Giroday le 15 novembre à 11.30. Je resterai sans doute avec lui jusqu'à 3 heures. ~~Je~~ vous informe également que vous recevrez probablement un coup de téléphone soit de M. Molitor soit de M. Tavitian pour fixer un rendez vous.

Voici une liste des personnes que j'aimerais aussi rencontrer.

Direction Generale II, Direction D : M. Wissels

Direction Generale IV : M. Schlieder or Duesberg.

Direction Generale III, Direction A : M. Schloessern

Direction Generale XIV : MM. Imbert et Jansen.

J'aimerais aussi rencontrer quelqu'un qui a participé à la rédaction du Rapport sur les Problèmes Régionaux.

En vous remerciant d'avance, je vous prie de croire, cher Monsieur de Creeft, à l'expression de mes sentiments les meilleurs.

Bela Balassa.

Monsieur T. de Creeft,
Direction générale "Presse et Information"
Commission des Communautés Européennes,
200 rue de la Loi,
1040 Bruxelles.

4th November, 1971.

Dear Max,

I'm afraid it was not possible for me to postpone my "multi-purpose trip" to Geneva. I will, however, come once more in the middle of January.

Owing to your tight work schedule it would indeed seem best if we could get together for lunch. I am already committed for the 24th and suggest the 25th. Let me add here that I am writing to Jan Tumlier who asked me if his Secretary could make up my schedule of appointments,

Sincerely,

Bela Balassa.

Mr. Max Kreinin,
United Nations Conference on
Trade and Development,
Palais des Nations,
CH 1211,
Geneve 10.
Suisse.

4th November, 1971.

Dear Anne,

I arrived in Paris with a delay of 5 hours, due to fog. Nevertheless I feel O.K. and I really need to as I am giving a lecture at 4.30.

There is only one thing which occurred to me on the plane. I will have to write some kind of a summary of my activities at the Bank as from the summer of 1970. I would like to ask you therefore to send me photocopies of my Monthly Staff Activity Reports for the period starting July 1970. I presume that Lowther or Mrs. Armstrong have the entire set so that you won't have to unpack any cartons. I would also need the titles and numbers of Working Papers I prepared during this period; the list should include the papers on Latin American integration and project evaluation which Mr. Stevenson has just approved.

It was good to see you and all my friends at the Bank.

With best regards,

Sincerely yours,

Bela Balassa.

Miss Anne Jeffery.

4th November, 1971.

Dear Jan,

I shall be arriving in Geneva from Tel Aviv on Wednesday, 24th November at 10.35 a.m. and will stay until the following evening. As I am trying to see a number of people I would very much appreciate it if you could ask your Secretary to help me setting up a schedule of appointments. There are two fixed points, in as much as Christopher Sanders asked me to have lunch with him on the 24th and Max Kreinen suggested lunch for the next day. I would plan to go direct to Sander's office after my arrival. In the afternoon of the same day and on Thursday I would appreciate it if we could have about two hours to ourselves. Apart from this I would ask your Secretary to make appointments for me with Gardner Patterson and with Lanner of EFTA. Both of them have been informed of my visit. Finally, I would like to talk to somebody at GATT and or the Trade Center about export promotion measures in developing countries. This is a subject on which I will be working for the Bank.

I know that all this looks very tight but I will be back in Geneva again in January.. Thus if, for example, Gardner has only limited time we could talk at greater leisure on my next visit.

I would greatly appreciate your help in this matter as this would enable me to fully utilise the time I spend in Geneva. Please let me know how things work; apart from a stay in Brussels between November 13th and 16th I will be in Paris until November 21st. However, will I perhaps have the pleasure of seeing you beforehand?

Looking forward to seeing you,

With best regards,

Sincerely yours,

Bela Balassa.

Mr. Jean Tumliar,
22 Chemin de Pont-Ceard,
1290 Versoix,
Suisse.

4th November, 1971.

Dear Christopher,

I will be happy to have lunch with you on November 24th.
I will be arriving from Tel Aviv at 10.35 a.m. and will come to
your office around noon. Perhaps your Secretary could check if
there is any delay with the plane. My flight number is 1y 247.

Looking forward to seeing you,

Sincerely yours,

Bela Balassa.

Mr. C.T. Saunders,
Director,
General Economic Analysis Division,
Economic Commission for Europe.
Palais des Nations,
CH 1211,
Geneve 10.

b.c. Mr. Jan Tumlir.

OFFICE MEMORANDUM

TO : The Files DATE : 26th October, 1971.

FROM : Bela Balassa

SUBJECT : Portugal - Assistance in Industrial Policy Formulation.

1. In a memo dated May 11, 1971, Messrs C.H. Thompson and J.L. Upper suggested that a favorable response be made to the request by the Portuguese Government for assistance in industrial policy formulation. Messrs. Hartwich and Henderson have subsequently agreed that I am to carry out this task in Portugal. The present memo reports on discussions I had concerning this assignment with Sr. Joao Cravinho, Director of the Planning Cabinet in the Portuguese Secretariat of Industry on October 25th in Paris.
2. Sr. Cravinho had earlier expressed the intention to make calculations on effective rates of protection in Portugal with the aim of providing a basis for a review of industrial policies. The original timetable called for starting this work in the Fall of 1971 on the basis of the 1964 input-output table. Both Sr. Cravinho and I feel, however, that the results for 1964 would be of limited use for policy formulation in the nineteen-seventies. We have agreed therefore that calculations for 1964 be limited to a few industries which offer special interest, with a view to making comparisons with a later year for which detailed estimates will be prepared. Apart from the possibility of comparisons over time Sr. Cravinho has emphasized the training function of such an exercise.
3. Detailed calculations on effective rates of protection will be made for the year 1970 on the basis of an input-output table to be prepared under the direction of a German professor. I have suggested that in formulating the questionnaire for the input-output table, account be taken of the data requirements of effective protection calculations. This suggestion has been accepted and the data collected will include information on international price comparisons and exports needed for estimating effective rates.
4. Preliminary work on effective protection calculations will begin in early 1972 so that all necessary data will be available by the end of the year when the input-output table is to be completed. I have given Sr. Cravinho a copy of "Measuring the Nominal Rate of Protection" prepared for the Development Strategies in Semi-industrial Countries project, which provides guidelines for the first stage of the work to be undertaken.
5. We have agreed that, in view of the revision of the time table, my visit originally planned for the end of the year would serve no useful purpose. Sr. Cravinho may, however, come to Paris again before the end of my stay here and I would plan to go to Portugal around June, by which time the first stage of the work should be well advanced. We could at the time determine the schedule of further visits.

cc: Messrs Benjenk.
Hartwich
Thompson/Maiss
Upper

Chenery
Henderson
Stevenson
Hayes/Lerdau.

Kalmanoff
Gulhati
Qureshi

26th October, 1971.

Dear Dr. Sussman,

Thank you for your letter of October 21st. I will arrive Sunday November 21 by flight Air France 130 due at 20.30 hours.

May I ask you to have the papers sent to me as soon as they are completed. It is worth while my having them even if I can only read them on the plane. For safety's sake, you might also wish to deposit a copy at the hotel.

Looking forward to seeing you,

I remain,

Sincerely yours,

Bela Balassa.

Mr. Zvi Sussman,
Bank of Israel,
Jerusalem.
Israel.

26th October, 1971.

Dear Leonard,

It was good to hear from you. Do look me up if you come to Paris after the 4th November when I return from a trip to Mexico and Washington.

The other day I had a pleasant dinner with Barre and hope to have the occasion to do so if you are able to come to Paris.

With best wishes,

Sincerely yours,

Bela Balassa.

Mr. Leonard B. Tennyson,
European Community Information Service,
2100 M Street NW,
Suite 707,
Washington DC 20037.

26th October, 1971.

Dear Tom,

Thank you for your letter of October 19th. I have written today to Bob Stern as you requested.

I would ^{like} to receive a note from you soon on price comparisons in Columbia, in the light of the paper I sent you.

With best regards,

Sincerely yours,

Bela Balassa.

Mr. Thomas L. Hutcheson,
Center for Research on Economic Development
309 S. State Street,
Ann Arbor,
Michigan 48104,
U.S.A.

26th October, 1971.

To Whom it may concern

This is to recommend Mr. Thomas L. Hutcheson for a teaching or research post.

I have known Mr. Hutcheson for nearly two years. He is one of my collaborators in carrying out the Development Strategies in some Industrial Countries Research Project which I am directing; he has responsibility for the study on Columbia.

I have high regard for Hutcheson's capabilities. In his work with me he has proved to possess an excellent knowledge of economic theory and has shown an ability to apply theory to practical problems. I would rate him to be among the upper 5% of graduate students I have known over the past decade at Yale and at Johns Hopkins. I am confident that Mr. Hutcheson would be an excellent addition to the faculty of any first rate graduate school.

snet to :
Professor Robert M. Stern
Placement Officer,
Department of Economics,
University of Michigan,
Ann Arbor,
Michigan 48104.

Bela Balassa
Consultant, World Bank
Professor of Political Economy
The Johns Hopkins University.



Record Removal Notice



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		<table border="1"><tr><td>Withdrawn by Ann May</td><td>Date 13-Jan-17</td></tr></table>
Withdrawn by Ann May	Date 13-Jan-17	

26th October, 1971.

Dear Fritz,

I read about the proposed conference on "Economic Integration" with great interest. As you may know I have again returned to this subject; the enclosure provides a short description of the research project. I also enclose a recent paper of mine on Economic Integration in Latin America.

I come now to suggestions for the program of the conference. It would indeed be desirable to devote a session to conceptual issues including the definition of economic integration and its various forms. This could then lead to the distinction between overall and sectoral integration and a session on some case studies of the latter. It would also be useful to devote a session to questions of monetary integration which has been in the center of discussion in the Common Market. Empirical studies on the effects of integration on trade, foreign investment and economic growth could provide material for a fourth session and I would suggest a fifth session on problems of economic integration in less developed areas. This leaves out a variety of topics, such as cartellization and fiscal policies, but I wonder if one could cover everything.

I enclose a list of possible contributors: Furthermore the following:

Herbert Eiersch (Kiel), Kiyoshi Kojima (Hitotshubaschi),
Pierre Uri (Paris, Dauphine), P.J. Verdoorn (Dutch Planning Bureau)
and Jean Waelbroeck (Bruxelles)

could be considered as non-American members of the program committee; you should have no difficulties in finding Americans. Needless to say, I will be happy to help in any way I can.

With sincere regards,

Bela Balassa.

Professor Fritz Machlup,
International Finance Section,
Princeton University.
P.O. Box 644,
Princeton, New Jersey 08540.

List of Possible Contributors

I. Conceptual Issues

Kindleberger
Giersch
Balassa.

II. Sectoral Integration

Thorbecke, Iowa State (agriculture)
Despicht, Sussex (transportation)
Liesner, Cambridge (Coal and Steel Community)

III. Monetary Integration

Uri
Giersch
Salin, Paris-Dauphine
Mundell,
Balassa.

IV. Empirical Studies

Truman, Yale (trade effects)
Verdoorn (" ")
Waelbroech (trade effects and macro model)
van der Beld, Dutch Planning Bureau, (macro-model)
Resnick, City University (macro-model)

V. Integration in Less Developed Areas

Uri (General)
Wionczek, CEMLA (Latin America)
Kojima (East Asia)

26th October, 1971.

Dear Jack,

I am sorry to say that unforeseen changes in my plans do not permit me to be at the meetings in New Orleans in December. I have to stay in Europe until mid-January and will be unable to make a trip to the States beforehand.

I very much regret not being able to participate at the first joint ACE-ASTE meeting but I presume that somebody can replace me to say the last words on ACE.

With best regards,

Sincerely yours,

Bela Balassa.

Mr. Jack W. Skeels,
Secretary Treasurer Association for Comparative Economics,
Northern Illinois University,
DeKalb,
Illinois 60115.
U.S.A.

25th October, 1971.

Dear Mr. Lee,

Thank you for your kind letter. I very much enjoyed having had the opportunity to work with you and hope that there will be other occasions to do so.

I enclose a paper on "Measuring the Nominal Rates of Protection" that may be of interest to you.

With best regards,

Sincerely yours,

Bela Balassa.

Mr. Kyo Sung, Lee,
Tariff Division,
Ministry of Finance,
Republic of Korea.

Mr. C.Y. Lin

25th October, 1971.

Bela Balassa.

Your Draft Monograph

I was interested to learn of the completion of your draft study on Taiwanese industrial policy. I would indeed be interested in reading it but would not be able to do so before my return to Washington in mid-January. Until then, I suggest that you send a copy to my collaborator, Professor Liang, who has written a dissertation on the subject. His address is:

Professor Kuo-shu Liang,
Department of Economics
National Taiwan University
5 Lane 98
Chi-Lin Road,
Taipei,
Taiwan.

Paris, 25th October, 1971.

Dear Mr. Peterson,

Owing to my absence from Baltimore, your telegram reached me with considerable delay. Thus, to my great regret, I was unable to attend the meeting you organised on October 19th. Needless to say, I would be happy to assist you in anything I can following my return to the States in mid-January, 1972.

With best regards,
Sincerely yours,

Bela Balassa.

Mr. Peter G. Peterson,
Assistant to the President,
for International Affairs,
The White House,
Washington D.C.

All contributors

25 October, 1971.

Bela Belassa

Next meeting on Development Strategies Project

1. You will recall that we planned to hold the next meeting on the Development Strategies in Semi-industrial Countries project in late December. It now appears that several contributors would not have the results of the calculations in time for a December meeting. I wish to suggest therefore that the meeting be postponed until next March. I presume that we will need two days for plenary discussions and further time for individual consultations. I would plan the plenary discussions for March 28 and 29, Tuesday and Wednesday, and individual consultations for March 27th (Monday) and 30th (Thursday).

studies.
2. In order to be able to distribute the papers in advance of the meeting, I should receive a paper presenting and analysing the results of the calculations of the country by February 28th. The paper should describe in detail also the data sources and the methods applied; we can then decide if in the published version some of this material will go into an appendix.

3. Please let me know by return mail if these dates are acceptable to you.

cc: Chenery
Henderson/Stevenson
Mrs. Hughes.

25th October, 1971.

Dear Larry,

Thank you for your letter of October 14th. The expense statement looks fine and I have forwarded it to Washington.

November 30th sounds O.K. for the computer programme. I am writing to all collaborators asking them to contact you direct concerning their needs.

Will call you from Washington. Until then, best regards to all and sundry.

Sincerely yours,

Bela Balassa.

p.s. I just got an answer from the Korean Ministry of Finance that they will provide the data we have requested.

Mr. Larry E. Westphal,
Assistant Professor of Economics
and International Affairs,
Princeton University,
Woodrow Wilson School of
Public and International Affairs,
58 Prospect Avenue,
Elm Club,
Princeton,
New Jersey 08540.

25th October, 1971.

Dear Julio,

I enclose a copy of "Measuring the Nominal Rate of Protection" in case the copy sent to your address has not reached you. I also enclose a copy of a letter on price comparisons I sent you earlier. ✓

Please let me know how things are progressing.

Sincerely yours,

Bela Balassa.

*Memo to all contributors dated 26 Oct. 71.
also enclosed.*

Mr. Julio Berlinski.

Pueyrredon 336, 8^o piso.

Dpto 25,

Buenos Aires, Argentina.

JH

25th October, 1971.

Dear Mike,

I have now had the chance to read the revised version of your dissertation. You have indeed made a considerable effort to meet our criticisms and have succeeded rather well. I see no point in asking for further revisions and find the dissertation acceptable subject to some minor changes. First of all, please make a final effort to improve the style; in places it is still rather rough. Second, there is still need for deflating somewhat your claims and emphasizing the role Vernon played in developing the theory. This is all, I hope that Trent agrees.

With my congratulations and best wishes, I remain,

Sincerely yours,

Bela Balassa.

Mr. Michael P. Claudon,
Middlebury College;
Middlebury,
Vermont 05753.

cc: Professor Trent Bertrand,
The Johns Hopkins University.

22nd October, 1971.

Dear Jean,

I have just received a letter from Steve Resnick in which he tells me that he will send you the completed paper in about two weeks but he prefers not to provide you with the elasticity estimates without the explanation contained in the paper. I am sorry for this but I understand his reasons for doing so.

My plans have changed and I now expect to be in Brussels on Monday and Tuesday November 15th and 16th. At that time we can already discuss the results of the Resnick paper.

Looking forward to seeing you,

I remain,

Sincerely yours,

Bela Balassa.

Monsieur le Professeur Jean Waelbroeck,
CORE,
54 rue de Croy,
Louvain,
Belgique.

Mr. A. Stevenson

22nd October, 1971.

Bela Balassa

Working Papers

In accordance with your earlier communication, I enclose revised versions of my papers "Project Appraisal in Developing Countries" and "Regional Integration and Trade Liberalization in Latin America" for distribution in the Working Paper series.

As corrections had to be made on a different typewriter, it has not been possible to make a perfect copy. If the paper is not appropriate for distribution in this form, a few pages could perhaps be re-typed in Washington.

cc: Mr. Hollis B. Chenery
Mr. P.D. Henderson.

16 Avenue Perrichont,
Paris 16e.

22nd October, 1971.

Dear Erik,

Many thanks for your letter of October 18th.

Carol and I would be very happy to see you in Paris but, unfortunately we will be away the weekend of October 13th. Instead of coming then, could you stop by in Paris the previous weekend?

I will call you about this from Washington but I am writing in good time in case your plans are not yet made up.

With best regards,

Sincerely yours,

Bela Balassa.

Professor Erik Thorbecke,
Professor of Economics,
Iowa State University of
Science and Technology,
Ames,
Iowa 50010.
U.S.A.

22nd October, 1971.

Dear Steve,

I was happy to hear of your progress. Indeed, apart from being an important contribution to our knowledge, your paper has a great practical interest. I had lunch the other day with Christopher Dow, the Deputy Secretary General of the OECD who is also very eager to see the results. I understand, however, your reasons for not releasing the figures without the paper. I will write to Waelbroeck about this in case you have not done it already.

From your letter it appears that you continue to live in New Haven. As I wrote to Ted the other day I could as well come to New Haven instead of New York. I would rent a car at the Kennedy Airport upon arrival on Saturday evening October 30th. and would drive to New Haven. Please make reservations for me at the Hotel where I stayed the last time. It would be good if we could meet Sunday morning around 9 or 10 o'clock, so that I could continue my trip to Washington in the afternoon. My schedule being tight as usual it would not be possible for me to come to New Haven on another day. I very much hope therefore that you and Ted could make the sacrifice of spending a few hours with me on a Sunday.

With best regards,

Sincerely yours,

Bela Balassa.

p.s. Any hope that the paper will be typed by the time of my visit to New Haven?

to right address,
Professor Stephen Resnick,
The City College,
Department of Economics,
Convent Avenue at 138th Street,
New York, New York 10031
U.S.A.

cc: Mr. W. Truman.

extra copy sent to Mr Resnick at

*Economic Growth Center
Yale University,
New Haven
Connecticut.*

21st October, 1971.

Dear Louis,

I enclose some comments on the revised version of your paper. Sorry for the delay; I have been busy with trips and several things here in Paris.

Some of my comments relate to definitional issues and can be easily taken care of. The two major comments relate to the size of the project and the opportunity cost of resources. We could ~~talk~~ about this, if you wish, on the occasion of my visit to Washington. Anne Jeffery will call you to arrange a time for us to meet.

With best regards,

Sincerely yours,

Bela Balassa.

Mr. Louis M. Goreux.

plot copy in Memo book

Sanchez Marco

21st October, 1971.

Bela Balassa.

IRAN Cold Rolling Mill -- Economic Considerations.

1. It is only now that I have had a chance to read your paper on the economic evaluation of the proposed Iranian Cold Rolling Mill project. While my comments may come too late for purposes of this project, they can possibly be useful in future work on project evaluation by IFC.
2. I find your presentation excellent. The textual discussion and the numerical analysis of the rate of return to capital and the effective rate of protection are clear and straightforward; the two sets of calculations should be helpful to decide on the economic merits of the project. I will comment below on some aspects of the calculations but beforehand I will raise some questions relating to your final recommendations.
3. In your summary, you state that there seem to be "very limited possibilities for the project to yield an adequate economic return" (p.3). But further you "recommend that IFC indicate to the Iranian government our interest in the project, subject to a favourable solution of the negative economic aspects of the project" (p.3). The question is then if there is indeed a favorable solution. While you make a reference to obtaining hot rolled coil at a lower price (p.3), subsequently you exclude this possibility on the grounds that the prices used in the calculations "are based on international standards" (p.4). It would thus seem useful to explore other avenues for obtaining a higher rate of return. To do so one would have to consider the reasons for the high domestic processing costs as well as the possible ways of reducing these costs.
4. One possibility is to build a larger plant, which would involve exporting some of the output, increasing the ^{share} of the plant's output in the Iranian market or building ahead of demand (Table 1 excludes the latter by assuming the Iranian market to remain constant after the 12th year). Alternatively, processing costs might have been overestimated e.g. by neglecting potential improvements in productivity via the learning process. In this connection, cost comparisons with foreign plants would be helpful.
5. As regards the comparison of the rate of return and effective protection calculations, questions arise concerning:
 - (a) the inclusion of external effects,
 - (b) the treatment of depreciation, and
 - (c) the time pattern of costs and returns.

As to the first, I favour the inclusion of external benefits in the calculations, with the results presented both including and excluding such benefits. But, for comparability, this should be done for the rate of return and effective protection calculations as well rather than just for one of them.

6. I come next to the treatment of depreciation. As noted in my Structure of Protection in Developing Countries, the effective rate of protection should be defined in terms of net value added, and the depreciation of equipment be considered as a material input. Nor is it correct to define the rate of return to capital gross of depreciation; one may then show a positive rate of return although capital's contribution to national income is negative (This appears to be the case in your calculations of the rate of return for 15 and 20 years). It should be added that the calculations of the two indicators in net terms will be affected by the tariff imposed on machinery imports.

7. There is finally the question of the time pattern of costs and benefits. These are taken into account in calculating the internal rate of return but not in estimating the effective rate of protection. In so doing, you follow earlier practice that has been based on the assumption that costs and benefits do not change over time. As this is not the case for the Iranian project, the effective rate of protection should be calculated by expressing domestic and free trade value added in present value terms. Now, if the internal rate of return is replaced by the cost-benefit ratio, this will be comparable to the effective rate of protection calculated in terms of present value.

cc: Chenery, Henderson, Hughes, Reutlinger, Qureshi, Gulhati, van der Tak.

16 Avenue Perrichont,

Paris 16e.

Dear Alan,

I am sorry for the delay in reviewing Bob Baldwin's book. It has been due to my temporary relocation to Paris. I now enclose the review in two copies.

With best regards,

Bela Balassa.

Mr. Alan W. Heston,
Book Review Editor,
The Annals,
3937 Chestnut Street,
Philadelphia, Pa. 19104,
U.S.A.

Robert E. Baldwin, Nontariff Distortions of International Trade,
Washington D.C. The Brookings Institution, pp.x,210.

In providing a detailed analysis of nontariff distortions to trade, Professor Baldwin's book fills a lacuna in the literature of international economics. The study assumes special importance in view of recent increases in nontariff barriers, and proposals made for their further extension, especially in the United States.

Baldwin provides a careful discussion of nontariff distortions and makes proposals for measures aimed at reducing their scope and extent. Included are quotas and restrictive state-trading policies; export subsidies and taxes; discriminatory government and private procurement policies; selective indirect taxes, selective domestic subsidies and aids; restrictive customs procedures; anti-dumping regulations; and restrictive administrative and technical regulations. In turn, the book does not deal with issues such as restrictive business practices, controls over foreign investment, restrictive immigration policies, and selective monetary controls.

Information collected by Professor Baldwin shows the increasing importance of nontariff measures as obstacles to trade. While tariffs have been reduced to a considerable extent over the past quarter of a century, nontariff barriers have been generally increased. In the United States, for example, quotas have been imposed on imports of petroleum, on its derivatives as well as on certain agricultural products, while informal agreements limit the importation of steel, cotton textiles, shoes, and, most recently, non-cotton textiles. Buy American rules providing a preferential margin for domestic suppliers of goods for public consumption also limit imports.

However, as Baldwin indicates, the United States is not the only offender. The variable levies imposed in the framework of the Common Market agricultural policy have the same effect as quotas. Also, European countries often favour domestic firms in public contracts through informal means and administrative measures rather than by virtue of legislation.

Professor Baldwin suggests dealing with nontariff barriers by establishing international rules of acceptable behaviour and setting up an effective machinery to insure that new trade-distorting measures are not introduced and existing ones are reduced through multilateral negotiations. These suggestions can only be applauded. It is feared, however, that they will not find application. Indeed, President Nixon's August 1971 proposals would extend the application of nontariff barriers through the preferential tax treatment of domestic investment and exports.

But whatever the scope of application of nontariff barriers in the future, Professor Baldwin is to be complimented for the painstaking collection of information on nontariff barriers and their economic evaluation. The readers of this book, whether economists or political scientists, will increase their understanding of international economic policy in the industrial world in general, and in the United States in particular.

Reviewer: Bela Balassa

The Johns Hopkins University.

OFFICE MEMORANDUM

TO : Mr. Louis M. Goreux.

FROM : Bela Balassa.

SUBJECT : Conflict between National and International Returns.

DATE : 20th October, 1971.

1. Your paper makes an important contribution in applying producer-consumer surplus analysis to examine the effects of a particular project on world incomes and income distribution. The latest version makes some useful changes; further revisions would, however, be desirable to increase clarity and to bring into focus some of the underlying assumptions.

2. There is first the question of defining world income. On top of p.1, you define world income as the unweighted sum of national incomes while later on this is taken to mean the sum of world consumer-producer surplus. Since national income accounts do not include consumer surplus, the two are not identical even in the incremental sense which is relevant for your discussion. It would be useful then to emphasize that, following Dupuit and others, you replace traditional national income accounting by producer and consumer surplus analysis.

3. A related definitional issue is that concerning the distinction between social and private returns. On p.2 you claim that "the difference between national and international returns is analogous to the difference between private and social returns within a country". Since you define international returns in terms of an objective function which takes account of producer-consumer surplus as well as income distributional effects, the statement implies that these would also be considered in deriving social returns for a particular country. Such is not usually the case as calculations in terms of shadow prices generally remain in the national income accounting framework.

4. The last point leads me to the assumptions underlying the use of producer-consumer surplus analysis. These assumptions are noted on p.3 but the second of these, concerning the invariability of utility derived from other commodities, would require further discussion. The question is if the reallocation of consumption and production would lead to changes in consumer and producer surplus in commodities other than V. As you know, this question has not been adequately answered in the literature & the usual references to infinitesimal changes in other activities, permitting to neglect such changes in consumer and producer surpluses, are hardly satisfactory. It would not be inappropriate to repeat the necessary caveats here. Further, as regards your fourth point, instead of assuming that the income elasticity of demand for V is zero, the analysis is predicated on the assumption that income effects are so small that they can be neglected.

5. As to the assumptions used in developing your algebraic model, you state that "since $\alpha_p Q$ [the volume of output from the new project] is generally small in relation to the volume of world gross exports Q , the percentage price decline induced by the project is also small (p.10). Later, it is again repeated that the relative price decline induced by the project is small (p.12) and such an assumption is also made in the numerical example of Section 2. But, under these conditions, the indirect effects of a project on other LDCs will be small. Indeed the loss of 25 units to countries B, C and D in the example amounts to only 1 percent of the value of their exports of commodity V.

6. You try to get around the problem by postulating that small projects would be undertaken in other countries also. But then the aggregate of projects cannot any longer be considered "small". Correspondingly, in presenting the algebraic model, it would seem to be desirable to concentrate on the effects of large projects and to indicate, by the use of sensitivity analysis, the error due to the neglect of second-order terms. As to the linear approximation of demand and supply curves noted in p. 10, you could simply say that you consider the case where these curves are linear. Finally, apart from the case of infinitesimal price changes, an arc rather than a point-elasticity will be appropriate.

7. A further question relates to the use "for greater generality" (p.8) of groups of countries rather than a single country in the algebraic model. I presume that you have done so in order to take account of the possibility that some developing countries are exporters and others importers of commodity V. But in your numerical example you abandon this device and consider exporting and importing countries separately. I would suggest doing so in the model itself; this would greatly simplify the rather complicated formulas.

8. The expression "average opportunity [cost] of production per unit of the project output" (C_p) needs clarification. Presumably, this is derived as an average from an upward sloping supply curve; the assumption of a horizontal supply curve would create certain conceptual problems.

9. The case of the resources being valued at less than world market prices ($\gamma < 1$) also needs clarification. On p.13 it is noted that "perfect resource mobility ($\gamma = 1.0$) corresponds to the 'free competition case' when trade shares of each decision agent is infinitely small". Further, it is argued that under optimal resource allocation, "a country could neither gain nor lose by replacing old by new production" (p.13), implying a value of γ less than one which it is "reasonable to assume" (p.15) for an exporting country. These statements leave me somewhat puzzled and I also wonder why the opportunity cost of domestic resources is in some cases compared to the world market price after the new investment has taken place (p.13) while elsewhere it is compared to the old price (p.21).

10. The opportunity cost of the resources should be defined in terms of the foreign exchange earned or saved in the event of their use in other activities. It would seem then that γ will equal one unless the resources cannot be fully employed elsewhere or their employment results in terms-of-trade deterioration in other activities. Apart from clarifying the statements cited above, the use of this definition would permit deriving realistic values of γ for particular countries. At the same time, we are led back to the question that the industry under consideration is the only one where producer surplus can be obtained.

11. The final part of the paper considers a lending model for the international agency. While this model represents an important new departure, it would need further development and, instead of including it at the tail-end of the present article, it could usefully be the subject of another paper.

cc: Mr. Hollis B. Chenery.
Mr. P.D. Henderson.

16 Avenue Perrichont,

Paris 16e.

20th October, 1971.

Dear Monsieur de Robien,

I enclose a cheque for Frs. 2,270 in payment of the following:

Rent October 9th - November 8th	Frs. 2,200
Cleaning of carpet deducted from telephone bill on October 8th	<u>70</u>
	Frs <u>2,270</u>

I would appreciate receiving a receipt in the amount of
\$2,200 for the rent paid.

Sincerely yours,

Bela Balassa.

Monsieur E. de Robien,
Inter-Urbis,
5, rue du Docteur Lancereau,
Paris 8e.

W

le 19 octobre, 1971.

Messieurs,

Je vous prie de bien vouloir m'envoyer les documents indiqués sur la liste ci-jointe, à l'adresse suivante.

16 Avenue Perrichont,
Paris 16.

Veuillez agréer, Messieurs, l'expression de mes sentiments distingués.

Professeur Bela Balassa.

La Commission des Communautés Européennes,
IX/D/3 - SRDD,
200, rue de la Loi,
1040 Bruxelles,
Belgique.

19 octobre, 1971.

Monsieur,

Voulez vous avoir l'obligeance de m'envoyer les numeros
suivants du Journal officiel des Communautés européennes:

No. 43	du 12. 7. 1960
No. 9	22. 1. 1963
	17. 8. 1963
64	22. 4. 1964
77	21. 5. 1964
78	22. 5. 1964
	7. 4. 1966.
79	25. 4. 1967
103	2. 6. 1967
L 65	14. 3. 1968
C 39	22. 3. 1969
L129	30. 5. 1969
L320	20.12. 1969
L 59	14.3. 1970
C 48	24. 4. 1970
C124	10.10. 1970
C126	15.10. 1970
L 28	4. 2. 1971

Je vous prie de les envoyer *avec la facture* à l'adresse suivante:

16 avenue Perrichont,
Paris 16e.

Veuillez agréer, Monsieur, l'expression de mes sentiments
distingués.

Professeur Bela Balassa.

Monsieur le Redacteur,
Office des ventes des publications officielles des Communautés européennes,
37, rue Glesener,
Luxembourg,

EXPRESS.

16 Avenue Perrichont,

Paris 16e.

19th October, 1971.

Dear Ted,

I have not yet received word from you concerning the meeting I proposed for Sunday October 31st. Neither do I know if you have received my letter of September 15th in which I enclosed a copy of my letter to Blackman. Finally, as Steve has undoubtedly told you, I wrote to him on October 5th asking if you could make available your import demand elasticities for confidential calculations to be made at the Common Market Commission.

Since I am leaving Paris for Mexico on the 27th, I would appreciate your letting me know by telegram (night letter) if we could meet on October 31st. Let me add here that I could as well come to New Haven if this is more convenient. I will arrive in New York from Mexico City at 6 p.m. Saturday; I will stay at the Hilton Hotel in New York, if we meet in New York and in the Park Hotel (?) in New Haven if we are to meet there. Could you also let me know your decision on the import demand elasticities.

Resnick.

I am sending a copy of this letter to Steve but, not having his exact address, I doubt that he will receive it in time.

Sincerely yours,

Bela Balassa.

Professor Edwin Truman,
Yale University,
Department of Economics,
Box 1905-A Yale Station,
Sheffield-Sterling-Strathcona Hall,
New Haven,
Connecticut 06520.
U.S.A.

Sent EXPRESS

19th October, 1971.

Dear Dani,

Thank you for mailing me a copy of the Bruno paper. It has been helpful to fend off some attacks on effective protection as a project selection criterion in the Bank.

Due to the delay in mailing I have just received the enclosed note with a large number of mailing labels for address to which our Mexican paper was to be sent. It is too late for this and, at any rate, my understanding was that our paper will be distributed from Mexico. I would like to ask you, however, to send a copy immediately to Carlos Diaz Alejandro at Yale, who is our discussant. Furthermore, while it would be too much to carry a hundred copies of the paper as requested in Ruggles' memo it would be useful if you could bring as many copies as possible with you.

As I indicated in an earlier letter, I will be arriving in Mexico only on Wednesday night. Please let me know at the Hotel Casino della Selva, where I am supposed to be staying, how I can reach you.

With sincere regards,

Bela Balassa.

Mr. Daniel M. Schydrowsky,
Harvard University Development
Advisory Service,
1737 Cambridge Street,
Cambridge,
Mass. 02138.

19TH October, 1971

Dear George,

I am pleased to learn from your letter of October 12 that you plan to be in Paris on or around November 8. This would indeed give us the time to talk in detail on questions relating to the Spanish mission. Let me add here that I am sorry for not being able to participate in it but, by the time your Telex arrived, I was "fully booked".

May I suggest that we have lunch together on November 8. I enclose a copy of a memo I recently completed "Measuring the Nominal Rate of Protection". The earlier paper on my research project was given to you by Anne Jeffery.

Sincerely yours,

Bela Balassa.

Mr. George Kalmanoff,
IBRD,
Washington.

OFFICE MEMORANDUM

TO : Mr. P.D. Henderson

DATE : 17th November, 1971.

FROM : Bela Balassa

SUBJECT : Activity Report

1. Following our conversations in Washington, I have prepared a summary of my activities during the period September 1, 1970 to August 31, 1971 based on the monthly activities reports. As additional information to the enclosed report, I would like to note that, despite my increased time-input, I had to postpone work scheduled on the Export Promotion in Developing Countries research project and was unable to respond to requests for comments on several research papers in the CES as well as to invitations to head an economic mission to Nigeria and an industrial mission to Indonesia.

2. As regards the FY 1972-73, my present obligations include completing the Development Strategies in Semi-Industrial Countries and the Export Promotion in Developing Countries projects, and advising the Portuguese Government on trade policy. Depending on the demand for my services, other activities may include advising on research in the Economics Department and in the CES in general, consultations with other Bank departments, participation in economic or advisory missions, and papers for Bank management.

3. I could devote approximately 150 days to Bank work in FY 1972-73. Spending a greater amount of time last year necessitated working regularly on Saturdays for the Bank at the expense of other obligations. On the other hand, reducing time devoted to Bank work much below 150 days would limit my activities almost entirely to the two research projects and to advisory work on Portugal, the completion of which would take about 90 to 100 days of my time.

cc: Messrs Chenery, Stevenson, ul Haq.

Activities Report
September 1, 1970-August 31, 1971
Bela Balassa

<u>Research</u>	<u>Days</u>
Structure of Protection in Developing Countries: Final revisions	8½
Development Strategies in Semi-Industrial Countries: Preparation of methodological papers, meetings and consultations with contributors	29
Trade Policies in Developing Countries (invited paper delivered at the meetings of the American Economic Association). Circulated as E.S. Working Paper No. 95; subsequently published in the <u>American Economic Review</u> , May 1971	5
Effective Protection: A Summary Appraisal (invited paper delivered at the Geneva Conference on Effective Protection). Circulated as E.S. Working Paper No. 101; subsequently published in <u>Effective Tariff Protection</u> , Geneva, 1971	5½
Project Appraisal in Developing Countries. Circulated as E.S. Working Paper No. 119. To be published in a volume in honour of Jan Tinbergen and, in a different form, in the <u>Journal of Political Economy</u> , January-February 1972.	7
Regional Integration and Trade Liberalisation in Latin America (invited paper delivered at the Sao Paulo Conference in Latin American Integration). Circulated as E.S. Working Paper No. 120. To be published in the <u>Journal of Common Market Studies</u> and, in Spanish translation, in <u>El Trimestre Económico</u> .	3
Indicators of Protection and Other Incentive Measures (invited paper prepared for the Quernavaca conference on Latin American research). To be published in the Proceedings of the Conference.	2
Export Promotion in Developing Countries -- preliminary work	2½
	<u>62½</u>
<u>Service</u>	
Report on Economic Research in the Bank	17
Acting Research Adviser; Bank Research Committee	19
Committee on the Development Research Center	6
Comments on research and policy papers prepared in the CES	4½
Comments on research and consultations, other Bank Departments	8½

Advising the Mexican government on tariff policy. Advisory Report published in Spanish translation in <u>Comercio Exterior</u>	10½
Advising the Korean Government on tariff reform	6
Mr. McNamara's trade policy speech	7½
Industrialisation section destined for the Annual Report	13
Mr. McNamara's speech at the Annual Meeting	1
	<hr/> 93
<u>Other</u>	
International Meetings (see section on research)	6½
Liaison with international agencies (OECD)	2
Miscellaneous (includes participation at meetings, reading of routine papers, short comments on papers and consultations)	21
	<hr/> 29½
Grand Total	<hr/> <u>185</u>

14th October, 1971.

Dear Ben,

Please excuse the late answer to your letter of September 22nd. I was out of town part of the time, hence the delay.

I much enjoyed reading your paper on "Welfare Performance and Foreign Aid". Comments are enclosed. As to your memo to Reutlinger, I agree with the statement on financing. Your exposition device on effective rates of protection is also correct but I am not sure if it adds anything to the criteria proposed earlier.

I presume that you have, in the meantime, received a copy of my rejoinder to Deepak Lal. I still do not quite see what he was after since the shadow price issue arises irrespective of whether we use the effective rate of protection or the rate of return criteria.

Mara happily ate her birthday cake and birthday cards and continues to be the source of much pleasure to us. Carol is working hard on her thesis and I have the usual tight schedule. We are all sending to the three of you our sincere regards,

See you in early November.

Bela Balassa.

Mr. Benjamin B. King.

14th October, 1971.

Dear Tom,

I enclose the paper "Measuring the Nominal Rate of Protection" which I prepared for the use of the contributors. Please let me know if you have any questions concerning the paper.

Let me know how the study is progressing.

With best regards to
your wife and yourself,

I remain,

Sincerely yours,

Bela Balassa.

Mr. Tom Hutchison.
Center for Research on Economic Development.
309 S. State St.
Ann Arbor,
Michigan.
U.S.A.

OUTGOING WIRE

TO: MR. HOLLIS B. CHENERY

DATE: 19th October, 1971.

INTBAFRAD, WASHINGTON

CLASS OF
SERVICE:

COUNTRY:

Cable No.:

TEXT: ~~SECRET~~

SUGGEST LUNCH ON SATURDAY STOP PLEASE INFORM AT PARIS OFFICE FRIDAY.

BALASSA.

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME Mr. Bela Balassa.

DEPT.

SIGNATURE _____
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

CLEARANCES AND COPY DISTRIBUTION:

For Use by Archives Division

ORIGINAL (File Copy)

(IMPORTANT: See guide for preparing form)

Checked for Dispatch: _____

12th October, 1971.

Dear Anne,

I enclose a cheque for \$88.80 in payment of the bill for the Structure of Protection book. Incidentally, Mr. Lind informed me that he has given copies to you and Debbie. While I plan to present you with a dedicated copy from the two I have left, I am afraid I have completely forgotten about Debbie.

We are sorry we will not have the opportunity to see Mr. Haq in Paris. Should either Mr. Chenery or Mr. Henderson not be free for lunch, please arrange a lunch with Haq, also I would like to ask to have my meeting with Stevenson at the end of my stay, preferably at 9 a.m. on Wednesday 3rd November (I will be going to Hopkins around 10) or in the afternoon of the 2nd. Finally, should you have difficulties in fitting everybody in, you might want to arrange some of the meeting at 45 minute intervals.

Mara enjoyed her birthday cards and the birthday cake; I have made some pictures to show when I come to Washington.

With sincere regards,

Bela Balassa.

p.s. Would you please make a reservation for me at the Watergate Hotel Sunday to Wednesday. Should it be full up, I would go to the Hilton instead.

Miss Anne Jeffery.

12th October, 1971.

Dear Trudy,

I am planning to arrive in Baltimore on November 3rd, around 11 o'clock. I would like then to see Mr. Wen (?) who will work for me as a research assistant in the second half of the year. Please ask him to be at my office at the time of my arrival.

Many thanks for your letter and the cheques,

With best regards,

Bela Balassa.

Miss Trudy Zintl,
Department of Political Economy
Johns Hopkins University,
Baltimore,
Maryland,
U.S.A.

12 th October, 1971.

Dear Lars,

Many thanks for your letter of October 8th and for the speedy arrangements regarding my request concerning the Structure of Protection book. I wonder if I may impose upon you again to ask that Mr. Stevenson and Mrs. Hughes should also receive copies. They have both, in one way or another, contributed in the preparation of the book.

I would like to raise one more matter concerning the book. From the distribution list I see that copies have been given to Departmental Directors and to a few additional people. I wonder if it would not be useful to give copies also to the Chief Economists? They are the ones who should, and in some cases have, used the methods described in the book. and the availability of copies to them may further the application of these methods in the Bank's economic work.

Hoping to see you in Paris or on the occasion of a short visit I will make to Washington in early November.

I remain,

Sincerely yours,

Bela Balassa.

Mr. Lars Lind.

le 12 octobre, 1971.

Cher Ami,

Je tiens a vous remercier de l'agréable déjeuner que nous avons eu ensemble il y a dix jours. J'espère bien que j'aurai l'occasion de vous inviter à mon tour lors de votre prochaine visite à Paris.

Je serai à Paris jusqu'au 26 octobre, date à laquelle je pars pour l'Amérique. Je reviendrai de nouveau le 3 novembre pour rester jusqu'au 11 quand je pense me rendre de nouveau à Bruxelles.

Jean Waelbroeck m'a demandé s'il serait possible d'utiliser les élasticités à l'importation calculées pour M. Resnick dans le travail de la Commission. J'ai tout de suite écrit à Resnick et j'espère recevoir une réponse favorable.

Je vous prie d'agréer, cher Ami, l'expression de mes meilleurs sentiments.

Bela Balassa.

Monsieur Roland Tavitian,
42 avenue Constant Montald,
350040
Bruxelles 15.

12th October, 1971.

Dear Tom,

I have only just received your address from my Secretary in Washington, hence the delay in sending you the revised version of my advisory report on the Korean Tariff Reform. As you will see the changes from the provisional version are written stylistically.

It was good to see you and I wish to thank you again for the pleasant evening I had at your house. Carol and Mara are sending their best regards to Martha and you and are thanking her for the celadon bowl.

Hoping to see you again soon in Paris, Washington or Seoul.

I remain,

Sincerely yours,

Bela Balassa.

Mr. Thomas Olmsted,
USAID/Korea (AD/E-EP)
APO San Francisco, Cal. 96301.

Johns Hopkins

11th October, 1971.

Dear Jurg,

planned
Many thanks for your note of October 5th. I did not write any sooner myself since I have ~~been~~ to see you in Baltimore. I wonder, however, if we could have a senior faculty meeting at 1.30 rather than at 4 o'clock as I have to take a plane back to Paris in the afternoon. *Will you postpone the seminar by half an hour.*

I am happy to hear that Dhrymes is interested in joining our faculty.

Looking forward to seeing you,

I remain,

Sincerely yours,

Bela Balassa.

Mr. Jurg Niehans,
Department of Political Economy,
The Johns Hopkins University,
Baltimore,
Maryland 21218.

11th October, 1971.

Dear Mr. Lindberg,

You may wish to obtain the following two books for the purpose mentioned in your letter:

Little, Scott, Scitovsky
Industry and Trade,
Oxford University Press.

Bela Balassa.
The Structure of Protection in
Developing Countries
Johns Hopkins University Press.

With best regards,

Sincerely yours,

Bela Balassa.

Mr. Bertil Lindberg,
Senior Consultant,
Mentor International,
712 Montgomery Street,
San Francisco,
California 94111.

11th October, 1971.

Dear Carl,

Many thanks for your note of October 6th. We are indeed having a pleasant time in Paris although I work hard, as usual. I may add that so does Carol, as she at last had the opportunity to devote a full day to her thesis.

I look forward to seeing you on the 3rd November.

With best regards to you and your family in which Carol joins me,

Bela Balassa.

Dr. Carl F. Christ,
Department of Political Economy,
The Johns Hopkins University,
Baltimore,
Maryland 21218.
Etats Unis.

11th October, 1971.

Dear Mr. Pradhan,

Your letter reached me with some delay due to my absence from Baltimore this semestre. I will, however, be back by the time requests for admission will be considered and I hope that we can take favourable action on your application at that time.

Sincerely yours,

Bela Balassa.

Mr. Raghunath Pradhan,
Lecturer in Economics,
Institute of Post-Graduate
(E) Studies,
University of Delhi,
Delhi-7

ITLH 0

Paris, 11th October, 1971.

Dear Sir,

On July 28th, I ordered Beck -
Change Structure of Europe. I have since
paid the bill but I do not seem to have
received the book. May I ask you to check
your records since I need the book urgently.

The book should be sent to the
following address:

16 Avenue Perrichont
Paris 16e.

yours faithfully,

Bela Balassa.

The University of Minnesota Press,
Minneapolis,
Minnesota 55455,
U.S.A.

Paris, 11th October, 1971.

Dear Dean Dillon,

Your letter reached me with some delay, due to my spending a few months in Paris. For the same reason, I am not able to send you my papers on the new economic mechanism in Hungary. One of these appeared in *Economica* in the February 1970 issue; the other will be published in a special volume edited by Professor Bronstein of the University of Michigan, Ann Arbor.

Yours sincerely,

Bela Balassa.

Dean J.L. Dillon,
The University of New England,
Faculty of Economic Studies,
Armidale, N.S.W. 2351,
Australia.

11th October, 1971.

Dear Mr. Jacobsen,

In answer to your letter of 8th July, 1971 which was forwarded to me here from the States, I presume that the catalogues of the Atlantic Institute in Paris could provide you with the information you need.

Sincerely yours,

Bela Balassa.

Mr. Hans-Dieter Jacobsen,
Institut für Theorie der
Wirtschaftspolitik
Altensteinstrasse 55,
1 Berlin 33.
Germany.

Paris ,11th October, 1971.

Dear Professor Ahmad,

Thank you for your invitation to address
your Graduate Seminar.

I am sorry that I cannot accept this
invitation for the coming semester, due to
my absence from Baltimore.

Sincerely yours,

Bela Balassa.

Professor J. Ahmad,
Chairman,
Graduate Studies in Economics,
Sir George Williams University,
Montreal 107,
Canada.

12 Octobre 1971.

Messieurs,

Jev vous prie de me reserver une chambre avec
salle de bains du 10 au 13 novembre inclus.

Veillez me confirmer cette réservation à
l'adresse si dessus.

sentiments distingués

Bela Balassa.

Park Hotel,
22-24 Avenue de l'Yser,
Bruxelles.

12th October, 1971.

Dear Mr. Cabrera,

Due to circumstances outside my control I will arrive in Mexico only on October 27th. Please adjust my hotel reservation accordingly. I understand that I will be staying at the Hotel Casino della Selva.

I shall be arriving in Mexico City by Flight Air France 067 which is due at 5.45 p.m.

Please let me know by return mail how I can get to Quernavaca. from the airport in Mexico City.

Sincerely yours,

Bela Balassa.

Lic. Gustavo Cabrera,
Director,
Centro de Estudios Economicos y Demograficos.
El Colegio de Mexico.
Guanajuato 125.
Mexico 7. D.F.

Paris le 11 octobre, 1971.

Monsieur,

Je voudrais m'abonner au Bulletin des Communautés Européennes avec supplément et index, pour les années 1970 et 1971. Je voudrais également acheter les numéros du bulletin 9 et 10 de 1969.

Selon la bibliographie préparée par la Commission de Bruxelles, une réduction de 50% peut être consentie pour les abonnements souscrits par les enseignants. Je suis Professeur d'Economie Politique à l'Université Johns Hopkins. Je vous demande donc de me consentir cette réduction.

Le Bulletin, la facture devraient être envoyés à mon adresse personnelle à Paris où je serai jusqu'en janvier 1972.

16 avenue Perrichont,
Paris 16e.

Veuillez agréer, Monsieur, l'expression de mes sentiments distingués.

Professeur Bela Balassa.

M. le Rédacteur,
Office des Publications Officielles,
Luxembourg,
Case Postale 1003.

11th October, 1971.

Dear Professor Brownlee,

Your letter was forwarded to me in Paris where I shall be until mid January. While I would be very much interested in returning to Tunis, I have accepted an invitation to lecture at the University of Paris which would not permit a prolonged absence during my stay here.

Sincerely yours,

Bela Balassa.

Professor O.H. Brownlee,
University of Minnesota,
School of Business Administration,
Department of Economics,
Minneapolis 14.

11th October, 1971.

Dear Professor Hoselitz,

Please excuse the delay in giving my report on Noel Barley's "Outward Looking Policies and Industrialization in a Small Economy: Some Notes on the Irish Case". Much of the delay has been due to the fact that the paper was forwarded to me in Paris where I shall be until mid-January.

The paper gives some interesting evidence on the success of outward looking policies. I would suggest accepting it for publication, on condition that the author expands the discussion of policy changes which are briefly noted on page 6. A more detailed discussion of these changes is necessary in order to show what form the "opening" of the Irish economy has taken.

Because of the high cost of postage, I am not returning the paper unless you expressly ask me to do so.

Sincerely yours,

Bela Balassa.

Professor Bert F. Hoselitz,
Editor of the
Economic Development and Cultural Change,
1130 East 59th Street,
Chicago,
Illinois 60637.

11th October, 1971.

Dear Professor Ho,

Thank you for your letter of September 28th and for sending me a reprint of your paper on "Japan's Trade Liberalization and Development". I would indeed be interested in having the copy of the study after my return to the States in January.

I return the cheque for \$20. My reference to the honorarium is explained by the fact that I seem to recall your mentioning in the original letter of invitation that, apart from the fee for the lecture, an additional honorarium is paid at the time this is revised for publication. From your letter it now appears that my recollection was mistaken.

Sincerely yours,

Bela Balassa.

Professor Alfred K. Ho,
Department of Economics,
Western Michigan University,
Kalamazoo,
Michigan 49001.
U.S.A.

11th October, 1971.

Dear ^{Ger}Erardo,

Many thanks for your letter of September 23rd informing me that a copy of my paper was given to the Editor of *El Trimestre Economico*. I am sorry, however, that due to my delay in sending you the paper, it will not appear in the same issue as yours. In turn I do think that it might be best if you contact Miguel S. Wionczek on the publication of your paper in the *Journal of Common Market Studies*.

I do not understand why you did not receive a copy of the *Structure of Production* book. Upon receipt of your letter, I immediately wrote to my secretary, asking her to clear up this matter.

Sincerely yours,

Bela Balassa.

Mr. Gerardo M. Bueno,
Manager,
Gerencia de Proyestos y de Programacion,
Nacional Financiera S.A.
Apartado Postal No. 353,
Isabel la Catolico no. 51
Mexico 1 D.F.

Paris le 11 octobre, 1971.

Cher Monsieur Dupriez,

Je vous remercie de m'avoir envoyé un exemplaire de votre livre sur le Congo. J'aurai sans doute l'occasion de le lire après mon retour à Baltimore en janvier.

Malheureusement il ne m'est pas possible de vous envoyer une copie de mon ouvrage "The Structure of Protection in Developing Countries". Vous pouvez l'obtenir chez l'Editeur, Johns Hopkins University Press, Baltimore, Maryland 21218.

Je vous prie d'agréer, cher Monsieur Dupriez, l'expression de mes sentiments distingués.

Bela Balassa.

Monsieur Pierre Dupriez,
1, Avenue Amélie,
1330 Rixensart,
Belgique,

Paris le 11 octobre, 1971.

Monsieur,

Je voudrais m'abonner au Bulletin des Communautés Européennes avec supplément et index, pour les années 1970 et 1971. Je voudrais également acheter les numéros du bulletin 9 et 10 de 1969.

Selon la bibliographie préparée par la Commission de Bruxelles, une réduction de 50% peut être consentie pour les abonnements souscrits par les enseignants. Je suis Professeur d'Economie Politique à l'Université Johns Hopkins. Je vous demande donc de me consentir cette réduction.

Le Bulletin, la facture devraient être envoyés à mon adresse personnelle à Paris où je serai jusqu'en janvier 1972.

16 avenue Perrichont,
Paris 16e.

Veuillez agréer, Monsieur, l'expression de mes sentiments distingués.

Professeur Bela Balassa.

M. le Rédacteur,
Office des Publications Officielles,
Luxembourg,
Case Postale 1003.

11th October, 1971.

Dear Mr. Lanner,

I plan to come to Geneva on November 24th and 25th and would very much like to have the opportunity to see you and to discuss matters of common interest. Please let me know if you could see me either of these two days.

I trust that you have in the meantime received Mr. Truman's paper.

Sincerely yours,

Bela Balassa.

Monsieur J. Lanner,
Association Europeenne de Libre Echange,
9-11 rue de Varembé,
Genève,
Suisse.

Dear Christopher,

I plan to come to Geneva on November 24th and 25th and would very much like to have the opportunity to see you and to discuss matters of common interest. Please let me know if you could see me either of these two days.

I trust that you have in the meantime received Mr. Truman's paper.

Sincerely yours,

Bela Balassa.

Mr. Christopher Sanders,
U.N. Economic Commission for Europe,
Geneva,
Suisse.

11th October, 1971.

Dear Max,

I plan to be in Geneva on November 24th and 25th. Please inform me if these dates are convenient for our meeting. Should you come to Paris beforehand, we could talk here as well.

I hope that your work is progressing and that you are enjoying Geneva.

With best regards to your family and yourself,

I remain,

Sincerely yours,

Bela Balassa.

Mr. Mordechai Kreinin,
UNCTAD,
Genève
Suisse.

11th October, 1971.

Dear Gardner,

I plan to come to Geneva on November 24th and 25th and I wonder if you could see me on one of the two days. Should you come to Paris beforehand, I would be happy if we could meet here; I am staying in Paris until mid-January.

With best regards,

Sincerely yours,

Bela Balassa.

Mr. Gardner Patterson,
Assistant Director General,
GATT,
Geneva.

11th October, 1971.

Dear Mr. Minister,

I trust that you have received my Advisory Report on the Korean Tariff Reform, which I sent you on the 1st September. I am writing now to ask your help in a matter relating to our research project on incentives in Korea. This would involve having your tax office fill out the enclosed form concerning the tax base and tax collections on corporation and individual business income tax in 1968.

I would very much appreciate it if would be possible to have this form filled out for us. It should be sent direct to:

Professor Larry E. Westphal,
Assistant Professor of Economics
and International Affairs,
Woodrow Wilson School of
Public and International Affairs,
58 Prospect Avenue,
Elm Club,
Princeton,
New Jersey 08540,
U.S.A.

who is working on this study,

With best regards,

Sincerely yours,

Bela Balassa.

Mr. Nam Duck Woo,
Minister of Finance,
Republic of Korea.



Record Removal Notice



File Title Research on Economics and Development - Bela Balassa - Chronological Record - August 1971 through January 1972 - Paris		Barcode No. 30280403
Document Date Oct. 11, 1971	Document Type Letter	
Correspondents / Participants From: Bela Belassa To: Credit Lyonnais		
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Exception(s) Financial Information (iv)		
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.
		<table border="1"><tr><td>Withdrawn by Ann May</td><td>Date 13-Jan-17</td></tr></table>
Withdrawn by Ann May	Date 13-Jan-17	

le 11 octobre, 1971.

Cher Jean,

Je te remercie de ta lettre et de m'avoir envoyé des exemplaires des papiers sur METEOR. J'ai écrit à Resnick, comme je l'avais promis, il y a déjà une semaine. Ci-inclus une copie de ~~ma~~ lettre. J'espère qu'il lui sera possible de te faire parvenir ~~des~~ données dont tu as besoin.

Il ne me sera malheureusement pas possible de participer à votre réunion sur METEOR. Je serai à Bruxelles probablement le 11 et le 20 novembre et j'espère avoir l'occasion de te rencontrer lors de mon séjour.

Amicalement,

Bela Balassa.

M. le Professeur Jean Waelbroeck,
CORE,
54 rue de Croy,
Louvain.
Belgique.

11th October, 1971.

Dear Professor Han,

I read your paper on Trade Restrictions and Industrial Specialization in the European Common Market with great interest. I am also looking forward to reading your study on "The Growth and Function of the European Budget".

As regards the first mentioned paper, I would be interested in having a commodity listing of your four categories.

Sincerely yours,

Bela Balassa.

Professor Seung Soo Han, D. Phil.
Graduate School of Public Administration,
Seoul National University,
Seoul,
Korea.

lundi le 11 octobre 1971.

Monsieur,

Je vous prie de bien vouloir me réserver une table
de quatre couverts pour le samedi soir 23 octobre à
9 heures.

Veuillez avoir l'obligeance de me confirmer cette
reservation.

salutations distingués.

Bela Balassa.

Le Po

Le Pot au Feu.
50 rue Bas,
Asnieres.



Record Removal Notice



File Title Research on Economics and Development - Bela Balassa - Chronological Record - August 1971 through January 1972 - Paris		Barcode No. 30280403		
Document Date Oct. 10, 1971	Document Type Letter			
Correspondents / Participants				
Subject / Title				
Exception(s)				
Additional Comments Language Unavailable		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"><tr><td>Withdrawn by Ann May</td><td>Date 13-Jan-17</td></tr></table>	Withdrawn by Ann May	Date 13-Jan-17
Withdrawn by Ann May	Date 13-Jan-17			

16 Avenue Perrichont,

Paris 16e.

8th October, 1971.

Dear Monsieur de Robien,

I am in receipt of your bill indicating that I owe you ~~Frs.~~ 205.35 centimes on account of a telephone bill. Please note that the following expenses paid by me should be deducted from this amount:

repair of cooking stove	Frs.
(c.f. our letter of August 16th)	47.97
materials for cleaning of carpet	
(c.f. statement dated August 10th)	
including brush which will be added	
to the inventory of the appartement	54
Cleaning woman's time, 2 hours at	
8 Frs. an hour	<u>16</u>
	<u>117.97. Frs.</u>

Deducting the total of Frs. 117.97 from the telephone bill of Frs. 205.37 I owe you Frs. 87.38 for which a cheque is enclosed.

I would like to add that despite several telephone calls, it took me two weeks to get a receipt from your office for the rent I paid on September 8th. I will now have to await reimbursement, which takes nearly a month before I can pay the rent due on October 8th.

I hope that next time I will receive the receipt for the payment of rent promptly.

Sincerely yours,

Bela Balassa.

Monsieur E. de Robien
Inter-Urbis,
5, rue du Docteur Lancereau,
Paris 8e.

8th October, 1971.

Dear Julio,

I enclose the paper "Measuring the Nominal Rate of Protection" which I prepared for the use of the contributors. Please let me know if you have any questions concerning the paper.

I wonder if you received my letter of September 9th. I would appreciate your letting me know how the study is progressing and especially your providing information on the work on price comparisons.

With best regards,

Sincerely yours,

Bela Balassa.

Mr. Julio Berlinski,
Instituto de Estadística y Censos,
Buenos Aires,
Argentina.

Dear Jan,

Many thanks for sending me the Effective Protection Book and the two papers prepared in GATT. Since our conversation I have looked at my Manchester School paper and I am convinced that with appropriate modifications the method used there will be appropriate. to indicate the elasticity of demand for a country's imports. It would be good if we could talk about this on your next visit to Paris. Apart from the weekend of October 15th to 18th, I will be here until October 27th when I leave for a week's stay in Mexico and Washington. Let me add here that I plan to be in Geneva on November 24th and 25th, if these days are convenient to you

Sincerely yours,

Bela Balassa.

Mr. Jan Tumler,
22 Chemin de Pont-Ceard,
1290 Versoix,
Switzerland.

8th October, 1971.

Dear Mr. Cravinho,

Thank you for your recent letter informing me of your coming to Paris. I will be happy to see you on the 25th; we could perhaps have lunch together. Please let me know by return mail if this is convenient.

Sincerely yours,

Bela Balassa.

Mr. Jeao Cravinho,
Ministerio da Economia,
Secretaria de Estado da Industria,
Gabinete de Planeamento,
Lisbon,
Portugal.

8th October, 1971.

Dear Hollis,

This is a short note to tell you that I will be in Washington on November 1st and 2nd. My secretary Anne Jeffery will contact your office to find out when you could see me. Perhaps you might be free for lunch on one of the two days.

Things are going fine in Paris. My various projects are progressing well and Carol ~~was~~ working hard on her thesis. She joins me in sending Mary and you our best regards.

Sincerely yours,

Bela Balassa.

Mr. Hollis B. Chenery,
Economic Adviser to the President.
International Bank for Reconstruction
and Development.

8th October, 1971.

Dear Leonard,

Thanks to your help I had a very fruitful two days in Brussels. I had lunch with Barre one day and with Tavitian on the other, and saw quite a number of people. I will be back again in Brussels in early November.

Hoping to see you in Paris soon,

I remain,

Sincerely yours,

Bela Balassa.

Mr. Leonard B. Tennyson,

European Community Information Service,
2100 M. Street N.W.,
Suite 707,
Washington D.C. 20037,
U.S.A.

8th October, 1971.

Dear Dr. Sussman,

I enclose the paper "Measuring the Nominal Rate of Protection" which I prepared for the use of the contributors. Please let me know if you have any questions concerning the paper.

I look forward to receiving the notes you mentioned on the phone. My present plans call for coming to Israel on the evening of Sunday November 21st and leaving on Wednesday morning! November 24th.

May I ask you to make Hotel reservations for me at the King David Hotel, since this hotel is booked up way in advance and it would seem advisable to make reservations right away. May I ask you to let me know by return mail if the suggested dates of my visit are convenient.

Looking forward to seeing you,

I remain,

Sincerely Yours,

Bela Balassa.

Mr. Zvi Sussman,
Co-Director,
Department of Research,
Bank of Israel,
Jerusalem.

8th October, 1971.

Dear Anne,

Many thanks for your letters of September 27th and 28th. I have indeed received the Spanish version of EC 175 and I have marked on the enclosed list the names of those who should receive copies.

My travel plans for Mexico and Washington are now set up. I plan to be in the Bank on November 1 and 2 and on the morning of the 3rd. Please call Mr. Chenery's office to find out if he could have lunch with me, either on Monday or Tuesday; and afterwards Mr. Henderson's office to ask if we can have lunch on the day which remains free. Furthermore may I ask you to make appointments for me to see the following:

Messrs. Stevenson	B.B. King,	Soreux
Ul Haq	Gulhati	van der Tak
Hayes	Qureshi	Muller
Lerdau	Kalmanoff	Mrs Adelman
		Mrs Hughes

The appointments should be spaced at hourly intervals, which would give me some free time in between at least some of them. Finally, please ask Mr. Stevenson's office if there would be a free office I could use during my stay.

Gerardo Bueno wrote me that he has not received the Structure of Protection book. Could you please find out if the book has been sent to him and to the other contributors.

I am sorry to come with requests again but I hope that you can do them in Mr. Haq's absence. Carol and I are looking forward to seeing him in Paris. He can find me at the Bank's office during the day or can call my home (Tel. 647.5657).

Many thanks again and best regards, from all three of us.

Sincerely yours,

Bela Balassa.

Miss Anne Jeffery.

8th October, 1971.

Dear Mr. Lee,

I enclose the summary of our discussions on the Taiwan study. The delay in sending it to you was due to the time it took to prepare the paper "Measuring the Nominal Rate of Protection" which I also enclose. Please note that the instructions contained in this paper differ in some respects from our discussions in Taipei. Would you let me know if you have any comments on either of these.

It was good to see you and Mr. Liang. I trust that the study continues to progress well.

With best regards,

Sincerely yours,

Bela Balassa.

Mr. T.H. Lee,
Chief of the Rural Economics Division,
Joint Commission on Rural Reconstruction,
37, Nan Hai Road,
Taipei,
Republic of China.

8th October, 1971.

Dear Augustine,

I enclose the summary of our discussions on the Singapore study. The delay in sending it to you was due to the time it took to prepare the paper "Measuring the Nominal Rate of Protection" which I also enclose. Please note that in one or two respects the contents of this paper differ from our discussions in Singapore. Would you let me know if you have any comments.

I asked the Treasurer's office to increase your budget by U.S. \$1,000 for research assistance. I expect that you will receive a revised contract soon.

With best regards to Mr. Chua Wee Meng and yourself,

I remain,

Sincerely yours,

Bela Balassa.

Mr. Augustine H.H. Tan,
University of Singapore,
Department of Economics,
Bukit Timah Road,
Singapore 10.

8th October, 1971.

Dear Dani,

I enclose the paper "Measuring the Nominal Rate of Protection" which I prepared for the use of the contributors. Please let me know if you have any questions concerning the paper.

I am not sure what Berlinski's new address is. May I ask you to let me have this by return mail.

With best regards to Beverly and yourself, in which Carol joins me.

Sincerely yours,

Bela Balassa.

Mr. Daniel M. Schydrowsky,
Harvard University,
Development Advisory Service,
1737 Cambridge Street,
Cambridge,
MASS. 02138.

Mr. P.D. Henderson.

October 8, 1971.

Bela Balassa.

Development Strategies in Semi-Industrial Countries Project.

I enclose the summaries of discussions I had with the contributors of the Korean, Singapore and Taiwanese studies. The circulation of these notes has been delayed due to the time needed for the preparation of the paper "Measuring the Nominal Rate of Protection" which is being sent to all contributors.

cc: Messrs. Chenery, Stevenson, Ul Haq, Mrs. Hughes, Hayes/Lerdau, Gilmartin.

8th October, 1971.

Dear Mr. Lee,

I enclose the summary of our discussions on the Taiwan study. Please note that the instructions contained in this paper differ in some respects from our discussions in Taipei. The delay in sending it to you was due to the time it took to prepare the paper "Measuring the Nominal Rate of Protection" which I also enclose. Please let me know if you have any comments on either of these.

It was good to see you and Mr. Liang. I trust that the study continues to progress well.

with best regards,

Sincerely Yours,

Bela Balassa.

Dr. T.H. Lee,
Chief of the Rural Economics Division,
Joint Commission on Rural Reconstruction,
37, Nan Hai Road,
Taipei,
Republic of China.

8th October, 1971.

Dear Larry,

I enclose the summary of our discussions on the (Korean) study. The delay in sending it to you was due to the time it took to prepare the paper "Measuring the Nominal Rate of Protection" which I also enclose. Please let me know if you have any comments on either of these.

I have received several enquiries concerning the formulas for the computer, you promised to prepare. Could you please let me know what you expect to have these.

I trust that Kim Kwang Suk has arrived in the meantime and work on the study is going well. I sent a table on tax to the Finance Minister and I hope that you will eventually get the data.

I will call you on November 1st or 2nd. Until then I am sending our best regards to Myrt, Michelle and yourself.

Bela Balassa.

Mr. Larry E. Westphal,
Assistant Professor of Economics and
International Affairs,
Woodrow Wilson School of Public
and International Affairs,
58, Prospect Avenue,
Elm Club,
Princeton,
New Jersey 08540.

Mr. Ravi Gulhati

October 8, 1971.

Bela Balassa.

Effective Rates of Protection as a Project Selection Criterion:

1. In the concluding paragraph of his latest memo, Deepak Lal writes: "if for 'effective protection' we read 'The Bruno criterion' in Balassa's note, I agree with what he has to say... However, my memo of May 15, 1970 (August 28, 1971?) was about ranking by EPR's and not by the Bruno criterion and these conclusions stand". These and earlier statements in the memo indicate that Lal identifies the effective rate of protection with the private effective rate, which involved valuing primary factors at Market prices. In so doing, he has set up a straw man since the papers he purported to criticize in his original memo recommended that for project evaluation the Bank use the social effective rate, where primary factors are valued at shadow prices. Nor does this measure ever become an identity as Lal alleges: domestic resource costs, calculated by valuing the primary factors actually used in the economy at shadow prices, will exceed the domestic value of net foreign exchange saved if domestic production is made possible only by protection. The source of the confusion lies in Lal's mistaken identification of both of these magnitudes with free trade value added which, however, refers only to the latter

2. Lal also shows ignorance of the distinction between the direct and the total (direct plus indirect) cost of foreign exchange measures; the effective rate of protection used in project evaluation (the social effective rate) equals the former while all empirical measurements of the Bruno criterion refer to the latter. In a paper written jointly with D.M. Schydrowsky several years ago (Journal of Political Economy, September/October, 1968) I indicated the advantages of the effective protection measure; most recently, Bacha and Taylor (Quarterly Journal of Economics, May 1971) have taken a position in favour of the effective protection and against the Bruno measure in project selection.

3. All this is nothing new; it is contained in my writings to which Lal referred in his original note. The need to make assumptions about future trade liberalisation, which Lal brings up in his latest memo, was also discussed in my "Project Selection in Developing Countries (May, 1971). A careful reading of the relevant papers would have saved us from a needless exchange of memos.

cc: Messrs. H. Adler, Baum, Chenery, Churchill, Goreux, Haq, Hawkins, Hayes, Henderson, B.B. King, Quereshi, Reutlinger, Stevenson, Takahashi, Vander Tak, Mrs. Hughes.

5th October, 1971.

Dear Steve:

I visited Brussels last week and talked to the officials of the EEC whom we met last year. There is much interest in your study and people are eager to get copies of papers as soon as they become available. Also there is an immediate interest in your import demand elasticities and I was asked to inquire if you would be willing to make these available for the EEC's use to estimate the effects of alternative combinations of exchange rates with or without the U.S. surcharge.

If you would be willing to have your results used this way, please send as soon as possible a table giving the import demand elasticities and their standard errors to Jean Wallbroeck who would make the calculations for the EEC. His address is CORE 54 rue de Croy, Louvain, Belgium.

It is up to you and to Ted to decide on this but I thought you might be interested to see your results used in a practical manner. I am assured that they will be kept in strict confidence.

Not knowing the exact address of City University, I am sending a copy of this letter also to Yale. In turn, I would appreciate having a copy of your letter to Waelbroeck, regardless of whether your answer is positive or negative.

With best regards to Charlotte, I remain,

Sincerely Yours,

Bela Balassa.

p.s. I have been back to La Coquille but it was not as good as last year. A change in ownership might be the reason.

Professor Stephen Resnick,
Department of Economics,
City University,
New Haven,
Connecticut,
U.S.A.

5th October, 1971.

Dear Trudy,

Many thanks for your letters of September 20 and 28 which reached me after my return from Brussels. I enclose the necessary information for the travel expense form, of which I do not have a copy here. Please enquire if the per diem for Brussels is still 24 dollars as it was last year. Prices have gone up since and the dollar has been devalued.

Reimbursement for the travel expenses should be sent to my address here. The same should be done with the check for the expenses I reported ten days ago. I would need payment for the latter rather urgently.

Herewith the report on McAleese. I have also received Claudon's dissertation and will read it in a few days. The Theberge book has also arrived; I'll return it to Trent on November 3rd.

With best regards,

Sincerely yours,

Bela Balassa.

Miss Trudy Zintl,
Department of Political Economy,
Johns Hopkins University,
Baltimore,
Maryland,
U.S.A.

Travel Expenses

Paris - Brussels - Paris September 20th - October 1st, 1971

Train (Frs. 214 at exchange rate of Frs. 5.30 to the dollar)	\$40.40
Per diem for two days at \$24 a day	\$48.00
Taxi to and from station in Paris	\$ 4.80
Taxis in Brussels	\$ 8.70
Baggage charges	\$ 1.50
	<u>\$ 103.40</u>

Bela Balassa
Professor of Political Economy,
Director, European Integration
Project

Grant No. GS 2929

Account No. P 29.4007

October 4, 1971.

TO THE GRADUATE BOARD

We hereby recommend that the dissertation by Dermot McAleese, "Import Demand, Protection and the Effects of Trade Liberalization on the Irish Economy", be accepted in partial fulfilment of the requirements for the degree of Doctor of Philosophy.

Mr. McAleese's dissertation provides an application of the tools of international trade theory to the Irish economy. His is a pioneering study on protection and its effects in Ireland. Following the estimation of import demand functions, McAleese calculates nominal and effective rates of protection for Irish industries and explores the impact of tariffs and export aids on the pattern of trade and economic growth. The study further discusses the possible effects of trade liberalization in Ireland, with special emphasis on the prospects of entry into the Common Market.

Mr. McAleese's dissertation shows a skillful use of modern economic tools. He has tackled his problem with both perseverance and ingenuity. The study deserves to be widely read as it represents an important contribution to the subject.

Bela Balassa. Trent Bertrand

REFEREES.

Le 4 octobre 1971

Madame,

Veillez trouver ci-inclus une brève description de mon séminaire, "Politique du Commerce Extérieur et Développement Economique".

Veillez recevoir, Madame, mes hommages respectueux.

Bela Balassa

Madame Nadeau
Troisième Cycle
Université de Paris IX
Place de la Porte Dauphine
75 Paris 16

BB:uel

Bela Balassa
c/o Banque Internationale pour
la Reconstruction et le Développement
66 avenue d'Iéna
75 Paris 16

Le 4 octobre 1971

POLITIQUE DU COMMERCE EXTERIEUR ET DEVELOPPEMENT ECONOMIQUE

Le cours va traiter des problèmes de la politique du commerce extérieur dans les pays en voie de développement. Nous discuterons, tour à tour, des sujet suivants:

Modèles de croissance et commerce extérieur; les rapports économiques entre pays développés et sous-développés; les termes de change; la politique du commerce extérieur des pays développés en ce qui concerne les pays en voie de développement; théorie de la protection; stratégies du développement; intégration économique; modèles de programmation économique; et choix des projets d'investissement.

BB:mcl

List of Contributors to the Development Strategies in Semi-Industrial Countries

Dr. Balon

① — Dr. Julio Berlinski
Pueyrredon 336
8p 25
Buenos Aires
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⑧ — ~~Professor~~ *Dr.* Larry Westphal
Woodrow Wilson School of
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Princeton, N.J. 08540

④ — Dr. Zvi Sussman
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~~London N.W.11.~~ *Jerusalem*
England *Israel*

⑦ — Dr. T. H. Lee
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USA

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⑦ — Dr. S. Malcolm Gillis
Harvard University DAS
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Cambridge, Mass. 02138

⑥ — Dr. Augustine H. H. Tan
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University of Singapore
Bukit Timah Road
Singapore 10

J. Baruch
Bank of Israel
Jerusalem
Israel

Dr. Kim Kwang Suk ***
Korea

Dr. Kim Mahn-Je ***
Korea

Address to:
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USAID/Korea (AD/E-EP)
APO San Francisco, Cal. 96301

*return to
Pat Chappell please.*

Mr. George Balassa
Mátrai u. 9
Budapest I
Hungary

Miss Charlotte Balassa
151 Calderon Ave.
Mountain View, Cal.
USA

Mrs. Judith Nagy
15 del Haro Way
San Rafael, Cal
USA

LIST OF PAPERS AND MEMOS SENT FROM PARIS OFFICE

Copies
available on
17 Nov

<u>Date</u>	<u>Title</u>	
1st Sept.	The Korean Tariff Reform of 1971: An Evaluation	Waste copy only.
16th Sept	Memo to Mr. Ravi Gulhati. Effective Rates of Protection as a Project Appraisal Criterion	2
8th Oct	Memo to Mr. P.D. Henderson on Development Strategies in Semi-Industrial Countries Project enclosing Summaries of Discussions on Korea, Singapore and Taiwan	
un-dated.	Measuring the Nominal Rate of Protection	18
14th Oct	Memo to Mr. Benjamin B. King. commenting on his paper Welfare Performance and Foreign Aid	1
26 Oct.	Memo to all contributors re next meeting on development strategies project	1
26 Oct ,	Memo to The Files on Portugal - Assistance in Industrial Policy Formulation.	
22 Oct	<u>Economic Staff Working Papers on:</u>	
	Project Appraisal in Developing Countries	6
	Regional Integration and Trade Liberalization in Latin America.	6

TRAVEL FORMS

Statement of Expenses

Type 3 copies. keep one

(for regular staff members these forms pass through Mme Lerous Or Mem Guillaumin
who make calculations for currency equivalents)

Travel Request

Type 5 copies

POLITIQUE DU COMMERCE EXTERIEUR ET DEVELOPPEMENT ECONOMIQUE

B. Balassa

I. Commerce international et croissance économique

- ① Johnson, Money, Trade and Economic Growth. Ch. 4.
- ② Nurkse, Patterns of Trade and Development
- ③ Prebisch, Towards a Dynamic Development Policy in Latin America
- ④ Haberler, International Trade and Economic Development.

II. Rapports économiques entre pays développés et sous-développés

- ⑤ Baer, The Economics of Prebisch and ECLA.
- ⑥ Haberler, Terms of Trade and Economic Development.
- ⑦ Balassa, The Impact of the Industrial Countries' Tariff Structure.
- Johnson, Economic Policies towards Less Developed Countries, Ch. 5 and 6.

III. Politiques de la protection

- ⑧ Johnson, Tariffs and Economic Development.
- ⑨ Hagen, An Economic Justification of Protectionism.
- ⑩ Balassa, Protection industrielle dans les pays en voie de développement.
- ⑪ Balassa, Stratégies de développement dans les pays semi-industriels.

IV. Modèles économiques et développement

- ⑫ McKinnon, Foreign Exchange Constraints in Economic Development.
- ⑬ Chenery, Comparative Advantage and Development Policy.
- ⑭ Chenery-Bruno, Development Alternatives in an Open Economy.
- ⑮ Balassa, Project Analysis in Developing Countries.

PUBLICATIONS

Bela Balassa

Prior to 1959 (books only)

Munkahelyi tájékoztató az építőiparban (Workshop Administration in the Construction Industry) with I. Bakonyi, Sztálinváros, 1955, pp. 244.

Építőipari önköltségvizsgálat (Cost Audit in the Construction Industry), Sztálinváros, 1956, pp. 152.

Since 1959

Books

The Hungarian Experience in Economic Planning, New Haven, Yale University Press, 1959, pp. xii, 285.

The Theory of Economic Integration, Homewood, Ill., Richard D. Irwin; London, Allen & Irwin, 1961, pp. xii, 296. Japanese translation, 1963; Spanish translation, 1964; Portuguese translation, 1964; Czech translation, 1966.

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Economic Development and Integration, Lectures delivered at the Centro de Estudios Monetarios Latinoamericanos, Mexico, D.F., 1965, pp. 157. Spanish translation, 1965.

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The Structure of Protection in Developing Countries, Baltimore, Md., The Johns Hopkins University Press, 1971.

Articles and Communications

1959

"John Stuart Mill and the Law of Markets," Quarterly Journal of Economics, May, 1959, pp. 263-74.

"Karl Marx and John Stuart Mill," Weltwirtschaftliches Archiv, Band 83, Heft 2 (1959), pp. 147-65.

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1961

"Towards a Theory of Economic Integration," Kyklos, 1961 (1), pp. 1-17. Reprinted in a revised form in Latin American Economic Integration (M. S. Wionczek, ed.), New York, F. A. Praeger, 1966, pp. 21-31. Spanish translation in Integracion de America Latina, (M. S. Wionczek ed.), Mexico, D.F., 1964, pp. 3-14.

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"Balance of Payments Disequilibrium and Elasticity Pessimism," Kyklos, 1961 (4), pp. 599-603.

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"European Integration and the Developing Countries," Challenge, May, 1962. Reprinted in International Business Management, (J. S. Ewing and F. Meissner, ed.), Belmont, Cal., Wadsworth, 1964, pp. 61-66, and in International Economics and Business (W. Krause and F. J. Mathis, ed.), Boston, Mass., Houghton Mifflin Co., 1968, pp. 65-72.

"Recent Developments in the Competitiveness of American Industry and Prospects for the Future," U. S. Congress Joint Economic Committee, Factors Affecting the United States Balance of Payments, Washington, 1962, pp. 27-54. Reprinted in an abbreviated form in Problems of the Modern Economy, (E. S. Phelps, et al), New York, W. W. Norton, 1966, pp. 342-49.

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"Observations on Mr. Beckerman's Export-propelled Growth Model," Economic Journal, December, 1963, pp. 781-84.

1964

"Tendances futures dans le commerce international," Bulletin d'Information et de Documentation, February, 1964, pp. 1-13.

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1965

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"The Dynamic Effects of Economic Integration with Special Reference to the ECAFE Region", United Nations, The Asian Development Bank and Trade Liberalization, New York, 1965, pp. 96-103.

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"Les effets du Marché Commun sur les courants d'échanges internationaux", (with Alain Camu) Revue d'Economie Politique, 1966 (2), pp. 201-27.

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"Die Entwicklungslander in der Weltwirtschaft", in Entwicklungspolitik, (Hans Besters and E. Boesch, eds.), Stuttgart, Kreuz Verlag, 1966, pp. 71-103.

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1967

"Trade Creation and Trade Diversion in the European Common Market", Economic Journal, March 1967, pp.1-21.

"Trade Liberalization and the 'Kennedy Round': The Static Effects" (with M.E. Kreinin), Review of Economics and Statistics, May 1967, pp.125-37. Abbreviated Italian translation in Mercurio, July 1968, pp.7-10.

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1968

"Effective Tariffs, the Domestic Cost of Foreign Exchange and the Equilibrium Exchange Rate", (with D.M. Schydrowsky), Journal of Political Economy, May/June 1968, pp.348-60.

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"The First Half of the Development Decade: Growth, Trade and the Balance of Payments of the Developing Countries, 1960-65", Banca Nazionale del Lavoro Quarterly Review, December 1968, pp.333-60. Italian translation in Moneta e Credito, September 1968.

"The Structure of Protection in Industrial Countries and its Effects on the Exports of Processed Goods from Developing Countries" in The Kennedy Round: Estimated Effects on Tariff Barriers, Geneva, UNCTAD, 1968, pp.189-207.

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"Country Size and Trade Patterns: Comment", American Economic Review, March 1969, pp.201-04.

"On the Comparison of Centralized and Decentralized Economies: Discussion", American Economic Review, Papers and Proceedings, May 1969, pp.533-37.

"Regional Monetary Integration of the Developing Countries: Comment", in Monetary Problems of the International Economy (R.A. Mundell and A.K. Swoboda, eds.), Chicago, University of Chicago Press, 1969, pp.151-56.

"Economic Development in an Open Economy: The Case of Norway", Oxford Economic Papers, November 1969, pp.344-59. Reprinted in Artikler, Central Bureau of Statistics of Norway, No.30, 1969, pp.5-23. Republished in an abbreviated form in Finance and Development, March 1970, pp.5-23.

"Theorie und Praxis wirtschaftlicher Integration", in Sowjetsystem und Demokratische Gesellschaft, Vol.III, (C.D. Kernig, ed.), Freiburg, Herder Verlag, 1969.

1970

"The Economic Reform in Hungary", Economica, February 1970, pp.1-22.

"Growth Strategies in Semi-Industrial Countries", Quarterly Journal of Economics, February 1970, pp.24-47.

"Growth Performance of Eastern European Economies and Comparable Western European Countries" (with Trent Bertrand), American Economic Review, Papers and Proceedings, May 1970, pp.314-20.

"The Impact of the Industrial Countries' Tariff Structure on their Imports of Manufactures from Less Developed Areas: A Reply", Economica, August 1970, pp.316-320.

"The Effective Rates of Protection and the Question of Labor Protection in the United States: A Comment" (with Stephen Guisinger and Daniel Schydrowsky), Journal of Political Economy, September/October 1970.

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1971

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"Capital Movements and Economic Growth in Developed Countries" and "The Impact of Taxation on Capital Flows and the Balance of Payments in Canada" -- Comment, International Mobility and Movement of Capital, New York, National Bureau of Economic Research (forthcoming).

"Uses of International Price and Output Data: Comment", International Comparisons of Prices and Real Income (D. J. Daly, ed.), New York, National Bureau of Economic Research (forthcoming).

"The Firm in the New Economic Mechanism in Hungary" in Economic Reform in Eastern Europe (Morris Bornstein, ed.) (forthcoming).

"Tariffs" (with Trent Bertrand) in Encyclopedia Britannica (forthcoming).

Johns Hopkins. Ill. obs.

Jay Melans. U.S.A. ✓
Ludley U.S.A. ✓
Chris U.S.A. ✓
Pradhan Delhi.
Univ of Minn. U.S.A. ✓
Dean Dixon Australia.

Jacobsen Germany. 50
Huned Canada.

Brooklee U.S.A. ✓

Roselitz U.S.A. ✓

Ho. U.S.A. ✓

Gerardo Buenos. Mexico. 7 Bank

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Pot au Feu Assini

7 U.S.A.

3 Balassa letters.

Other letters of which
there are no copies.
dignes & so on.

(2)

(1)

7 Bank

Bank



Record Removal Notice



File Title Research on Economics and Development - Bela Balassa - Chronological Record - August 1971 through January 1972 - Paris		Barcode No. 30280403		
Document Date Oct. 26, 1971	Document Type Letter			
Correspondents / Participants				
Subject / Title				
Exception(s)				
Additional Comments Language Unavailable		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"><tr><td>Withdrawn by Ann May</td><td>Date 13-Jan-17</td></tr></table>	Withdrawn by Ann May	Date 13-Jan-17
Withdrawn by Ann May	Date 13-Jan-17			

29 Sept

DATE : Sept. 27, 1971

16 Avenue Perrichont,

Paris 16e.

28 septembre, 1971.

Dear Sirs,

I wish to order the following publications, which appear in the PEP European series.

Concentration or competition: a European dilemma?

Taxes in the EEC and Britain: the Problem of Harmonization.

The Proposal for a European Company

Regional policies in Britain and the EEC: the problem of development areas

Problems of Agriculture and the EEC.

Energy Policy in the European Community.

I would also like to receive any further titles in the series which might have been published more recently.

I finally I would like to order J.H. Dunning's "The Role of American Investment in the British Economy", which appeared in the PEP planning series and would like to have the list of all publications in this series.

Yours faithfully,

Professor Bela Balassa.

Research Publications Limited,
11 Nelson Road,
Greenwich,
London S.E.10.

28th September, 1971.

Dear Anne,

Many thanks for the material you sent me; As I wrote earlier, the air pouch parcel addressed to the Bank also arrived about a week ago.

I seem to have been overcharged for the books. If I am right you sent out 8 handback copies and received in addition 13 paperbacks. This adds up to \$ 88,80 rather than \$105,60 which is what I was billed. I am returning the bill with the corrections; if it is agreeable to Pat Stevenson's office I would like to receive a new bill, on which I will promptly make payment.

As to the distribution of the books, I presume that Ravi Gulhati got a copy from Lars Lind. I am writing to him today and I am also asking that he put Mahbub ul Haq on his list. I enclose a copy of my memorandum to him.

I enclose a copy of my Effective Protection; a Summary Appraisal for Tom Silcock's use.

Things are fine but I will have to do some heavy travelling in the coming months. I am going to Brussels later this week; I will be in Israel in mid-October; and I am going to Mexico at the end of next month. I plan to be in Washington on November 1-3 but I will write to you about this beforehand.

With many thanks and warm regards in which Carol and Mara join me,

Bela Balassa.

Miss Anne Jeffery,
Economics Department.

28th September, 1971.

Dear Lars,

I saw Ravi Gulhati the other day in Paris and he told me he had not received a copy of my "The Structure of Protection in Developing Countries". Ravi was a member of the Committee which discussed the merits of publication and he certainly deserves a copy. I would appreciate it if you could let him have one and if your Secretary could check whether all members of the Committee whose names are listed in the preface have received copies. It would also be good if Mahbub ul Haq could have a copy as he is now with the Economics Department. May I, finally, ask for a list of all those in the Bank who have received copies of the book.

Apart from my work here, I am enjoying Paris and I hope that you will look me up if you were to come here before January 15th.

With sincere regards,

Bela Balassa.

~~Mr. Ravi Gulhati.~~

16 avenue Perrichont,

Paris 16e.

28th September, 1971.

Dear Dorothy,

Please accept our sincere thanks for getting the information on the real estate tax. We have just been able to make the deadline thanks to the information you provided.

We continue to enjoy Paris and very much hope that we might have the occasion to take you to one of my favourite restaurants here.

Carol joins me in sending our best regards.

Bela Balassa.

Mrs. Dorothy Claire Newman,
2139 Wyoming Avenue,
Washington D.C. 20008.
U.S.A.

28th September, 1971.

Dear Sirs,

Owing to my absence from Washington I did not receive your bill for the D.C. real estate tax. However, through a friend I have been able to ascertain the amount due and I enclose a cheque in the amount of \$ 1075.30 in payment of the

D.C. Real Estate Tax,
Lot 883,
Square 2528,
2134 Wyoming Avenue,
Washington D.C.

Please address all communications regarding the payment of tax to the following address:

16 avenue Perrichont,
Paris 16e.

Yours faithfully,

Bela Balassa.

D.C. Finance and Revenue,
Property Tax Division,
Room 2000
300 Indiana Avenue, N.W.
Washington 20001, D.C.
U.S.A.

September 29, 1971

Dear Merv

I received some versions of the Working Document and the Draft Report, but all of them with several weeks delay. This explains that I have refrained from commenting on them.

Ravi Gulhati told me on the occasion of his visit to Paris that there is yet another version since the last one, dated August 26, I have. Could you please let me have this and inform me when you expect to have the final version (or do you have it already?). I'll be in Washington in the first three days of November and hope that we'll have the chance to talk then.

With best regards.

Sincerely yours,

Bela Balassa

Mr. Mervin E. Muller,
Director,
Computing Activities,
Room G 1053,
International Bank for
Reconstruction and Development,
Washington D. C. 20433.

BB:mc1

OUTGOING WIRE

TO: INTBAFRAD
WASHINGTONDC

DATE: SEPTEMBER 29, 1971

CLASS OF
SERVICE:

COUNTRY: USA

Cable No.: 12 57 KALMANOFF

TEXT:

DUE TO OTHER OBLIGATIONS UNABLE JOIN MISSION REGARDS

BALASSA

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME B. Balassa

DEPT. Consultant - Economics

SIGNATURE _____

BB:mcl

TRANSMITTAL COPY

28th September, 1971.

Dear Sirs,

In my letter of 24th September I informed you that, not having received Theberge's Economics of Trade and Development ~~Zwisch~~ the other titles ordered, I wished to cancel the order for the book. The book has now arrived but I have in the meantime procured it elsewhere and no longer need it.

I enclose your bill with the request that you cancel this. The book is being returned to you under separate cover.

Yours faithfully,

Bela Balassa.

The Economist Book Shop,
Clare Market,
Portugal Street,
London W.C.2. A.B.

28th September, 1971.

Dear Sirs,

Would you please send me the following forms (in triplicate):

U.S. Department of Labour

Manpower Administration

MA 7-50 A

MA 7-50 B

MA 7-50 C

Yours sincerely,

Professor Bela Balassa.

The U.S. Embassy,
Visa Section,
Room 12,
2, rue St. Florentin,
Paris 1.

le 27 septembre, 1971.

Messieurs,

Veillez trouver ci-joint une constatation d'accident et la note de couverture de mon assurance avec vous. Comme la constatation l'indique l'accident était la faute du conducteur, qui a heurté ma voiture en tournant à gauche.

D'habitude ma voiture est garée pendant la journée dans le garage de la Banque Mondiale, 66, Avenue d'Iena à l'emplacement 34 au premier sous-sol, ou votre expert pourra l'examiner. Cette semaine, comme la voiture ne sera pas dans le garage le jeudi et le vendredi, j'aimerais bien qu'on puisse venir l'examiner le mardi ou le mercredi.

Il serait préférable que l'on m'appelle avant que l'expertise ne soit faite.

Veillez agréer, Messieurs, l'expression de mes sentiments distingués.

Bela Balassa.

Le Chartier et Dardonville,
13-15, rue de la Ville-l'Eveque,
Paris 8e.



Record Removal Notice



File Title Research on Economics and Development - Bela Balassa - Chronological Record - August 1971 through January 1972 - Paris		Barcode No. 30280403
Document Date Sept. 24, 1971	Document Type Letter	
Correspondents / Participants From: Bela Belassa To: Riggs National Bank		
Subject / Title Account Information		
Exception(s) Financial Information (iv)		
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.
		<table border="1"><tr><td>Withdrawn by Ann May</td><td>Date 13-Jan-17</td></tr></table>
Withdrawn by Ann May	Date 13-Jan-17	

24th September, 1971.

Dear Trudy,

Many thanks for your recent letter and for sending me the information ~~in~~ requested on the French journals, as well as my mail.

I would now like to ask you to send me a book from my office airmail - printed matter - and charge the postage to my N.S.F. account. The book is Theberge and it is either on my desk or on the top shelf, around the middle of the bookshelf on the long wall. Should you have difficulties finding it, please ask Trent Bertrand to help. I also enclose some bills for which reimbursement should be made to me from the N.S.F. account. I have prepared a summary of these expenses, indicating under each item they belong in the budget of the European Project. I hope I have handled the secretarial expenses correctly.

Please inform Dr. Niehans that I will be in Baltimore for the departmental meeting on November 3rd. I am going to Mexico to deliver a paper at the Conference and will stop in Baltimore on my way back. I will depart for Paris on the same day.

With best regards to everybody in the Department,

I remain,

Sincerely Yours,

Bela Balassa.

Miss Trudy Zintl,
Department of Political Economy,
Johns Hopkins University,
Baltimore,
Maryland,
U.S.A.

* Economics of Trade and Development.



Record Removal Notice



File Title Research on Economics and Development - Bela Balassa - Chronological Record - August 1971 through January 1972 - Paris		Barcode No. 30280403		
Document Date Sept. 24, 1971	Document Type Letter			
Correspondents / Participants From: Bela Belassa				
Subject / Title Request for Reimbursement of Expenses incurred in connection with European Integration Project				
Exception(s) Financial Information (iv) Personal Information				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"><tr><td>Withdrawn by Ann May</td><td>Date 13-Jan-17</td></tr></table>	Withdrawn by Ann May	Date 13-Jan-17
Withdrawn by Ann May	Date 13-Jan-17			

24th September, 1971.

Dear Anne,

May I ask you to send the enclosed copy of a letter addressed to the Riggs National Bank to my Insurance Broker in Newhaven.

Not having his address here, I am unable to send it to him myself.

With many thanks,
and best regards,

Bela Balassa.

Miss Anne Jeffery,
Economics Department.

16 rue Perrichont,
Paris 16e.
22nd September, 1971.

Dear Mr. Klein,

Dear Mr. Klein,

This is in response to your letter of September 1st, according to which my fire insurance policy on my house at 2134 Wyoming Avenue has expired. On June 25th, when I purchased the house, the Fireman's Insurance Corporation issued a binding for the insurance with the proviso that this would be replaced by a fire insurance policy. I have not received this, and judging from your letter, neither have you. I am sending a copy of this letter to my Insurance Broker with the request that he obtains a policy promptly.

As I will be in Paris until mid January, I am asking him to contact you direct in this matter.

With best regards,

Yours sincerely,

Bela Balassa.

Mr. John C. Kline,
Assistant Cashier,
The Riggs National Bank.



Record Removal Notice



File Title Research on Economics and Development - Bela Balassa - Chronological Record - August 1971 through January 1972 - Paris		Barcode No. 30280403		
Document Date Sept. 24, 1971	Document Type Letter			
Correspondents / Participants From: Bela Belassa To: US Embassy, Visa Section				
Subject / Title Visa for Olivia Adriana de Paula				
Exception(s) Personal Information				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"><tr><td>Withdrawn by Ann May</td><td>Date 13-Jan-17</td></tr></table>	Withdrawn by Ann May	Date 13-Jan-17
Withdrawn by Ann May	Date 13-Jan-17			

22nd September, 1971.

Dear Professor Ferrero,

Many thanks for your letter of August 12th, which reached me with some delay in Paris where I shall be until mid January. As I do not have any reprints, I enclose a mimeographed copy of the paper you requested.

With sincere regards,

Sincerely yours,

Bela Balassa.

Professor Romulo A. Ferrero,
Antonio Miro Quesada, 376 - 403.
Lima,
Peru.

22nd September, 1971.

Dear Anne,

I have at last received the folders of the Development Strategies Project and other material you sent me over a month ago. The second parcel mailed to my home address has, however, not arrived.

I am now getting official and other mail here, except for Senior Staff Minutes and the Weekly Travel Schedules, although I would like to have these also. I wonder if you could enquire about this, or perhaps I should write to somebody?

Have you received the paperback versions of my book we ordered some time ago? It would be good if I had a single bill on all the books I purchased whether hardback or paperback.

We had a long and pleasant weekend at Irigny, only the weather could have been better. Mara enjoyed roaming around in the grass: she doesn't walk yet, though.

With many thanks
and best regards,

Bela Balassa.

Miss Anne Jefferym
Economics Department.

p.s. Have we ever received the Effective Tariff Protection Book from GATT? Tom Silcock would need it urgently; please give him my copy if it has arrived and its not packed away. Otherwise please give him the Working Paper No. 101 which contains the text of the published version of my "Effective Protection: a Summary Appraisal". For your information, I enclose a copy of my letter to him.

22nd September, 1971.

Dear Professor Gibson,

I wish to warmly recommend Mr. Dermot McAleese for a post of Lecturer of Economics at your University.

I have known Mr. McAleese for five years. He was a student in my courses on International Economics and Trade and Development and he has written his dissertation on Irish Trade Policy under my direction.

Mr. McAleese was the best student in his class and he gave excellent performances in my course as well as in other courses he took. He did a very good job in his dissertation, part of which is being published and another part is also likely to come out in print.

Mr. McAleese has shown intelligence and perseverance in his work and these qualities should help him in his teaching. I am confident that he will continue to do research on a high level and I have no hesitation whatever in recommending him for the post.

Sincerely yours,

Bela Balassa
Professor of Political Economy.

Professor N.J. Gibson,
The New University of Ulster,
Coleraine County
Londonderry Northern Ireland.

24th September, 1971.

Dear Sirs,

In answer to my order dated September 3rd, you sent me the books by Bhagwati and Johnson but not the one by Theberge. Please cancel my order for the latter (Economics of Trade and Development). As you were not able to supply it with the rest of the order I no longer need it.

I enclose a cheque for \$5.00, which should cover your present bill. (no. Z 683021.)

Yours faithfully,

Bela Balassa.

The Economist Book Shop,
Clare Market,
Portugal Street,
London W.C.2 2 A.B.

22nd September, 1971.

Dear David,

Not having received the Monthly Staff Activity Report forms beforehand, I can only now send in my report for last month. As you can see from the form, August was a rather busy month for me. The trip to Singapore, Taiwan, and Korea for discussions with the contributors largely accounts for the 8 days devoted to the Development Strategies project, while advising and writing of the report on the Korean tariff reform took 6 days and work on the paper for the Conference on Mexico took 2 days.

The Conference will be held at the end of October and I plan to be in Washington on November 1 to 3. Anne Jeffery will call you beforehand to find out if we can have lunch together. In the meantime, I would like to ask for your agreement to my participation at the Cambridge Conference on Development to be held in September, 1972.

As the enclosed letter of invitation indicates, I am asked to prepare a paper on problems relating to regional economic integration among developing countries. The cost of my travel and of my stay in Cambridge will be borne by the organisers of the Conference. The writing of the paper itself should not take more than a few days.

Looking forward to seeing you in November, I

I remain,

Sincerely yours,

Bela Balassa.

Mr. David Henderson.

ECONOMICS DEPARTMENT - MONTHLY STAFF ACTIVITY REPORT

Name <i>Bela Belane</i>		Period Ending <i>August 1-31, 1971</i>	
Division <i>Front Office</i>	Section	Dep. & Div. No. <i>Econ-4</i>	Position No.

RESEARCH												
Activity	Project No.	Days Worked on Proj. each Week					Monthly Total					
		1st	2nd	3rd	4th	5th						
<i>Development of Indicators in Semi-Industrial Countries</i>							8					
<i>Indicators of Industrial and Other Activities</i>							2					
TOTAL												

SERVICE							
Activity	Project No.	Days Worked on Proj. each Week					Monthly Total
		1st	2nd	3rd	4th	5th	
<i>Policy Advising in Korea - Final Report</i>							6
TOTAL							

MANAGEMENT							
Activity	Project No.	Days Worked on Proj. each Week					Monthly Total
		1st	2nd	3rd	4th	5th	
TOTAL							

OTHER							
International Meetings							
Liaison with Government and International Organizations							
Liaison with Academic Institutions							
Training							
Miscellaneous							1
TOTAL							17

INSTRUCTIONS FOR COMPLETION

- I. Fill in the identification blocks. Use Budget Account Numbers for Dept. and Div. Code and Position No.
- II. Under the appropriate heading list the activities on which you worked. List a project number only when one is available.
- III. List the number of days worked (in units no smaller than one-half day) in the right hand column. The monthly total is the key figure -- weekly columns are to assist you in keeping track of your time.
- IV. Use the following definitions and specific instructions when filling in the form:
 - (1) Research: All activities undertaken in relation to research projects. Include planning, library work, missions, consulting, computer program, writing, editing, reviewing and so on. List the activity and the study (e.g. a mission to China for Study on Mobilization of Domestic Resources). There should be a separate entry for each activity and each study.
 - (2) Service: List all direct and indirect services. Direct services are those performed specifically for some other Division, Department or outside organization -- such things as commenting on reports or proposals, providing information or statistical support, participating in missions and so on. (Incidentally, if you participate on a mission to further a research project and to support another Department, list it under both RESEARCH and SERVICE and divide the time proportionately.) When listing direct services, indicate the sponsor. Indirect services are those performed for the Bank as a whole. They include such things as the Data Bank, External Debt Reporting, Five Year Program Tables and periodic reports such as the Chartbook. List services which occupied no more than one-half day as miscellaneous direct or indirect services.
 - (3) Management: Management includes planning and organizing activities, budgeting, recruiting or supervising personnel and preparing administrative reports. Itemize only those activities which occupied 3 full days or more. Group the others under general management.
 - (4) Other:
 - a. International Meetings: List the time spent preparing for, attending and reporting on formal international meetings. Space permitting, identify the meetings.
 - b. Liaison with Governments and International Organizations: List the time spent in discussions with government officials and the staffs of international organizations. Space permitting, identify the governments or international organizations involved.
 - c. Academic Liaison: List the time spent on seminars, lectures or consultations with the staffs of academic institutions and foundations. Space permitting, list the institutions involved.
 - d. Training: List all activities undertaken for educational purposes only. Identify them as space permits.
 - e. Leave: List total amount of leave taken without identifying the type.
 - f. Miscellaneous: Indicate the time spent on activities falling outside all the other categories.
- V. Fill out the form each month. Turn it in to your Division Chief on the second working day following the end of the month.

22nd September, 1971.

Dear Tom,

Many thanks for your letter of September 13th. I do not have here a copy of the book on Effective Tariff Protection in which my "Effective Protection: a Summary Appraisal" has appeared. I am writing today to Miss Jeffery asking her to give you a copy of the book, if it went to my office there. Otherwise she will give you a copy of Working Paper No. 101 which contains the exact text of the printed version. This could be circulated to the Editorial Committee for Occasional Papers; I will get hold of a copy of the book before you will need it for the printer. Miss Jeffrey should also have a copy of my "Industrial Policies in Taiwan and Korea".

I enclose a list of journals I suggest for the automatic republication of papers by Bank staff.

Yours sincerely,

Bela Balassa.

Mr. Thomas H. Silcock.
Economics Division.

Suggested List of Journals
for Automatic Republication
of Articles by Bank Staff

American Economic Review.
Econometrica.
Journal of International Economics.
Journal of Political Economy.
Quarterly Journal of Economics.
Review of Economics and Statistics.
Economics.
Economic Journal.
Review of Economic Studies.

22nd September, 1971.

Dear Dr. Sussman,

I am now preparing my trip to Israel and I wonder if we could agree on the dates of my visit. I would plan to arrive on October 19th, in the evening, and would spend the following two days in Jerusalem. This would give us enough time if you could make yourself free for the two days

With best regards,

Sincerely yours,

Bela Balassa.

Mr. Zvi Sussman,
Co-Director,
Department of Research,
Bank of Israel,
Jerusalem.

Miss Fukuda

22nd September, 1971.

Bela Balassa

Request for reimbursement to Mr. Thomas L. Hutcheson.

I enclose receipt for expenditures incurred in connection with the Columbia Study of the Development Strategies in Semi-Industrial Countries project. May I ask you to make reimbursement to Mr. Thomas L. Hutcheson in the amount of ~~698~~ U.S. \$

The reimbursement should be sent to his present address:

Mr. Thomas L. Hutcheson,
Center for Research on Economic Development,
309 S. State St.
Ann Arbor,
Michigan 48104.

22nd September, 1971.

Dear Professor Gibson,

I wish to warmly recommend Mr. Dermot McAleese for a post of Lecturer of Economics at your University.

I have known Mr. McAleese for five years. He was a student in my course of International Economics and Trade and Development and he has written his dissertation on Irish Trade Policy under my direction.

Mr. McAleese was the best student in his class and he gave excellent performances in my course as well as in other courses he took. He did a very good job in his dissertation, part of which is being published and another part is also likely to come out in print.

Mr. McAleese has shown intelligence and perseverance in his work and these qualities should help him in his teaching. I am confident that he will continue to do research on a high level and I have no hesitation whatever in recommending him for the post.

Sincerely yours,

Bela Balassa
Professor of Political Economy.

Professor N.J. Gibson,
The New University of Ulster,
Coleraine County
Londonderry Northern Ireland.

Miss Fukuda

22nd September, 1971.

Bela Balassa

Request for reimbursement to Mr. Thomas L. Hutcheson.

I enclose receipt for expenditures incurred in connection with the Columbia Study of the Development Strategies in Semi-Industrial Countries project. May I ask you to make reimbursement to Mr. Thomas L. Hutcheson in the amount of 696 U.S. \$

The reimbursement should be sent to his present address:

Mr. Thomas L. Hutcheson,
Center for Research on Economic Development,
309 S. State St.
Ann Arbor,
Michigan 48104.

OFFICE MEMORANDUM

own copy

TO: Mr. Bela Balassa.

DATE: 21 September, 1971

FROM: Alexander Stevenson

SUBJECT:

own copy

You are requested to travel from Paris to Mexico City to present a paper on "indicators of ^{te}production and ~~of~~ other incentive measures" at the Conference on the Role of the Computer in Economic and Social Research in Latin America. On your return you will stop in Washington to have discussions on various aspects of the work you are presently carrying out.

cc: Mrs S. H. Armstrong.

21 September, 1971.

Dear Sir,

I return a signed copy of the Consent to Publish, as well as a corrected version of the paper written with Daniel Schydrowsky. In some instances I had to revert to the original text in order to ensure continuity in the paper. In turn I presume that on pages 8 and 9 you will have to check the page numbers of the Krueger article; I do not have the manuscript of her paper with me.

A slight change is necessary on page 12 of the References, since one of my papers has in the meantime been published. This involves putting "Effective Protection: A Summary Appraisal" into third place among my articles published in 1971. Please take a look at the change I have made; it may not be comprehensible to the printer. Finally, I am afraid that, not having access to the articles I cited, I am unable to add volume and page numbers. I wonder if somebody could do this in the editorial office.

With best regards,

Sincerely yours,

Bela Balassa.

Journal of Political Economy
SS 401
1126 E. 59th Street,
Chicago, Illinois 60637.

21st September, 1971.

Dear Tom,

✓ Thank you for your letter of September 9th. I am enclosing a copy of a purchase order I sent to the University of Michigan Computing Centre. I hope it will be suitable in its present form.

✓ I sent you a copy of a letter to Schydrowsky to the address of the Economics Department of the University of Michigan. This has been returned to me; I enclose another copy.

I just received your accounting for expenses in Columbia. I am sending this today to the Washington office with the request that you be re-imbursed for it. I hope that you have already been reimbursed for the amount billed in June or July.

I would appreciate having your thoughts on the question of the base year for the Columbian calculations.

with best regards,

Sincerely yours,

Bela Balassa.

Center for Research on Economic Development
Mr. Thomas L. Hutcheson,
309 S. State St.
Ann Arbor,
Michigan.

Make photo copy.

21st September, 1971.

Dear Sir,

This is to authorise the Computer Center to bill the World Bank for actual charges incurred in connection with the calculations on effective protection to be carried out by Mr. Thomas L. Hutcheson.

Please send the bill for computer expenses to me at the address whosn on the letter head.

Sincerely yours,

Bela Balassa.
Director, Development
Strategies Project.

Attention Mrs. Brindle.
The University of Michigan Computing Center,
1075 Brindle Avenue,
North Campus,
Ann Arbor,
Michigan 48105.

21 September, 1971.

Dear Sir,

I return a signed copy of the Consent to Publish, as well as a corrected version of the paper written with Daniel Schydrowsky. In some instances I had to revert to the original text in order to ensure continuity in the paper. In turn I presume that on pages 8 and 9 you will have to check the page numbers of the Krueger article; I do not have the manuscript of her paper with me.

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With best regards,

Sincerely yours,

Bela Balassa.

Journal of Political Economy
SS 401
1126 E. 59th Street,
Chicago, Illinois 60637.

14th September, 1971.

Dear Sandy,

I enclose the statement of my expenses on the Singapore, Taiwan, Korea trip. The ticket is not enclosed because it contains the Paris - Washington portion. Please note that the long telephone conversation with Schydrowsky between Singapore and Djakarta was necessary to discuss problems relating to the Columbian and Argentine studies and to avoid a trip to Djakarta.

I also enclose a statement of expenses by Larry Westphal who was in Korea in connection with the Development Strategies Project. I indicated approval by initialing the expense form.

I further enclose two terms of reference, one for a trip to Israel in connection with the Development Strategies Project and one for a trip to give a paper at a Conference in Mexico. The latter was approved by Mr. Henderson before my departure. Please note that the ticket to Mexico has been pre-paid by the organisers of the Conference. The pre-paid ticket also includes a trip to Washington, where I plan to be on November 1, 2 and 3. In turn I presume that I could get the ticket and travel advances to Israel at the Paris office. Please return signed travel requests here.

You will probably have received by now my back to office report on the Far East trip, as well as a copy of my advisory report to the Korean Government. I am continuing work on the Development Strategies Project here. Things are going fine; it is indeed pleasant not to have the phone ringing.

Looking forward to seeing you in early November I remain

I remain,

Sincerely yours,

Bela Balassa

Alexander Stevenson,
Deputy Director,
Economics Department.

[illegible]

SECTION F. EXPENSES		LIST EXPENSES BY CITY AND CURRENCY						
City	Currency	Paris Fr.frs	Singapore S.\$	Taiwan N.T.\$	Seoul Won	Paris Fr.frs		
Hotel - Room and Tax			156	1980	35150			
Meals			109	1260	32400			
Tips			10	70	900			
Valet			20	170	1550			
Taxi		24	22	310	1800	24		
Baggage Handling		3	3	40	400	3		
Airport Tax								
Other:								
Telephone , postage			205	60	700			
Cables								
Representation			65	890	24320			
Transportation								
Miscellaneous								
								TOTALS
Totals by Currency		27	590	4780	97220	27		
Exchange Rates		5.40	2.75	40.00	370.00	5.40		
Totals - U.S. Equiv.		\$5.00	\$214.54	\$119.50	\$262.76	\$5.00		\$ 606.80
Net Advances (from Sect. E)								\$ 600.00
Balances - U.S. Equiv.								\$ 6.80

SECTION G. EXPLANATION FOR OTHER EXPENSES LISTED ABOVE

Expense Item	City	Explanation	Amount
8.17 Lunch	Singapore	Mr. Tan, Mr. Choa	S.\$ 38
8.18 Dinner	Singapore	Mr. Tan	S.\$ 27
8.20 Dinner	Taipei	Mr. Lee, Mr. Liang	NT \$ 590
8.21 Lunch	Taipei	Mr. Lee	NT \$ 300
8.22 Lunch	Seoul	Professor Adelman	Won 2700
8.23 Dinner	Seoul	Professors Adelman, Ronis, Frank, Westphal, Kin-Man-Je, Mr. Olmsted	Won 21620

I certify that the tickets provided to me by the Bank Group were used as issued or if transportation and/or routing was rearranged by me, that an explanation is attached and that I did not receive a refund in connection with such change in transportation or re-routing. I certify further that the statements herein set forth, correctly reflect expenses incurred and that I have not received and will not claim reimbursement from any other source.

Signature of Staff Member

Bela Balassa

Date

20th September, 1971.

I confirm that the above itinerary was undertaken for the purpose of official business, except where personal leave is noted, and that the claims for representation are appropriate in terms of the types of function and the number of people entertained.

Signature of Approval

Date of Approval

COPY

14.9.71.

To : Bela Balassa.
From : P.D. Henderson.
Subject : Terms of Reference

You are requested to travel from Paris to Jerusalem to have discussions with the Israeli contributor to the Development Strategies in Semi Industrial countries research project.

cc : Mrs. Armstrong.

3 copies sent (2) Stevenson
(1) Armstrong.

720-2510

3rd September, 1971.

The Economist Book Shop,
Clare Market,
Portugal Street,
London W.C.2 2 AB.

Dear Sir,

Please send me the following books and bill me at the above address.

Harry Johnson - Money Trade and Economic Growth.
(paperback)

Bhagwati - International Trade - Penguin Modern Economics
Readings (paperback)

Theberge - Economics of Trade and Development.

Please send me also a catalogue of books on economics, as well as your latest general catalogue and the catalogue of Penguin paperbacks.

Yours faithfully,

Professor Bela Balassa.



Record Removal Notice



File Title Research on Economics and Development - Bela Balassa - Chronological Record - August 1971 through January 1972 - Paris		Barcode No. 30280403		
Document Date Sept. 16, 1971	Document Type Letter			
Correspondents / Participants From: Bela Belassa To: Miss Fukuda				
Subject / Title Consultant Contract				
Exception(s) Personal Information				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"><tr><td>Withdrawn by Ann May</td><td>Date 13-Jan-17</td></tr></table>	Withdrawn by Ann May	Date 13-Jan-17
Withdrawn by Ann May	Date 13-Jan-17			

16 rue Perrichont,

Paris 16e.

15th September, 1971.

Dear Professor Ho,

I enclose a revised version of my evening talk. I hope that your Secretary will not have problems with my handwriting. I would be unable to have it typed here in the foreseeable future.

For the typist, let me add here that I use the following sign to indicate a new paragraph. In turn references to the literature cited are made by putting in the text, in parentheses, the number pertaining to the papers listed at the end. This list, which is incomplete to the extent that I do not have here the exact date of publication of my Banca Nazionale del Lavoro article. I seem to recall, however, that your colleagues had read this article before I gave my lecture and so the reference would be available. Should this not be the case, you could call my Secretary in Washington who has these on my list of publications. Finally, I do not have here the reference to a paper by Raymond Vernon, which appeared in the Quarterly Journal of Economics around 1966. It deals with the production cycle hypothesis and should not be difficult to find.

I am sorry to say that it will not be possible to publish my Seminar Talk on the Effects of Economic Integration in the Common Market. I reported there on some research which is still in the preliminary stage and is carried out by several people besides me. I do not think therefore that it would be appropriate for the talk to appear in print. I am sorry for this but, had I known that you wanted to publish the Seminar Talk, I would have chosen another subject.

As I will be staying in Paris until mid January, I would like to ask you to send any communications, as well as the honorarium due to me on account of the publication of my lecture to the above address.

Sincerely Yours,

Bela Balassa.

Professor Alfred K. Ho,
Department of Economics,
Western Michigan University,
Kalamazoo,
Michigan 49001.
U.S.A.

References

- (1) Bela Balassa, "Britain, the Commonwealth and the European Common Market", Banca Nazionale del Lavoro, Quarterly Review.
- (2) Bela Balassa, "Tariff Reductions and Trade in Manufactures among the Industrial Countries", American Economic Review, June 1966
- (3) Bela Balassa, "Trade Creation and Trade Diversion in the Common Market", Economic Journal, March 1967.
- (4) Raymond Vernon,

15th September, 1971.

Dear Dani,

Many thanks for your letter of September 2nd and for the Mexican paper. The paper is fine and I found your sections on the use of effective protection in deriving optimal tariff systems and export subsidies rates excellent. I have only a few comments to make. On pages 18 and 19 you note:

"It is very important to note that none of the tariff structures developed above yield a uniform nominal tariff, thus disproving the intuitively plausible notion that a uniform nominal tariff provides the desirable uniform effective protection."

This will not be the case under the assumptions listed on top of page 16, which require uniform nominal protection (it is a different question that ~~that~~ net nominal protection will be nil, if adjusting for the difference between the actual and the free trade exchange rate). In turn, nobody would expect to use uniform nominal rates if these assumptions are not fulfilled.

In the section dealing with export incentives, I do not understand the table and the text relating to it. Some qualification and greater detail would be helpful here.

Section 6 relies to a considerable extent on my "effective protection: a summary appraisal". Would you please refer to the paper as it has since been published; I presume that you have a copy of the volume. In turn I suggest deleting table 3 and the text relating to it. This is because of the conflict with table 1; both tables provide net effective rates but they use different exchange rates in determining these. It would be too much to require the reader to understand the differences and I doubt that the paper is the place to explain the reasons for these differences. As your paper will be published in the Q.J.E., you would not lose anything by the omission.

I sent a copy of my letter on the Columbian benchmark issue to Hutchinson in Ann Arbor but it was returned here. I enclose it, with the request that you send it to him at an address where he can be reached. Finally, I would like to ask you to send me by return airmail a Xerox copy

copy of Bruno's paper we comment on in our "Once Again" note. I need it because of a controversy I am engaged in at the Bank and my own copy is packed away.

I hope that you had a pleasant trip back to Cambridge. Carol and I are sending our best regards to both of you.

See you in Mexico.

With kind regards,

Sincerely yours,

Bela Balassa.

Mr. Daniel M. Schydrowsky,

16 rue Perrichont,

Paris 16e.

15th September, 1971.

Dear Jim,

The purpose of this letter is to endorse the request to be submitted to you by Messrs. Resnick and Truman for an extension of their grant, with the addition of funds for the summer of 1972. This extension has been necessary because of the time requirements of work on import demand functions. After considerable experimentation, Resnick and Truman have developed a new method involving estimation by stages, which represents an important advance over the methods employed previously.

Given the contribution to our knowledge in the work carried out so far and the need for completion of the macro-model, I strongly urge that you accede to the request by Messrs Resnick and Truman for an extension of their contract and an increase in funding.

Let me add that my own research in Europe is progressing well although I have a considerable amount of material to contend with.

With best regards,

Sincerely yours,

Bela Balassa.

Professor James H. Blackman,
Program Director for Economics,
National Science Foundation,
1800 G Street, N.W.
Washington D.C.

16 rue Perricout,
Paris 16e.

15th September, 1971.

Dear Ted,

Many thanks for your letter of September 2nd and for the materials you sent me. Your explanations are perfectly understandable. I looked through the tables with Carol and we have no questions. She will now try to up-date them, possibly until 1970 and I would like to ask you to let us know the exact source you have used.

I enclose a copy of the letter I sent to Blackman. I suggest that you make your application soon so that you can get the extension in time.

Many thanks again and best regards to you. Let us know when the baby is born.

Sincerely Yours,

Bela Balassa

Professor Edwin Truman,
Yale University,
Department of Economics,
Box 1905-A Yale Station,
Sheffield-Sterling-Strathcona Hall.
New Haven,
Connecticut 06520.
U.S.A.

13th September, 1971.

Dear Sirs,

Following up a telephone enquiry, I am writing to ask you to send me the forms to be completed for an immigration visa, as I would like to take a Brazilian domestic servant who is in my employ here in Paris back to the States with me when I return there in a few months time (if this is possible).

I am a United States citizen on the staff of the World Bank.

Yours faithfully,

Professor Bela Balassa.

The Visa Department,
United States Embassy,
2, Avenue Gabriel,
Paris 8e.

9th September, 1971.

Dear Gerardo,

Thank you for your letter of July 16th. I am glad to know that El Trimestre Economico would publish the Spanish version of my paper. I have made a few changes in the article to be published by the Journal of Common Market Studies so that there will be some difference between the two versions. May I ask you to give them the copy my secretary sent you.

I am sorry to say that it would have been too late to have your paper published with mine in the journal of Common Market Studies. I have already had the galley proofs and the paper will be out in about two months.

I shall be in Paris until January 15th. Carol and I would be very pleased if you had the chance to come to Paris during this period.

With best regards,

Sincerely yours,

Bela Balassa.

Mr. Gerardo M. Bueno,
Nacional Financiera, S.A.
Apartado Postal No. 353,
Isabel La Catolica No. 51.
Mexico.

9th September, 1971.

Dear Julio,

From Singapore I talked to Dani who tells me that since your letter of August 4th you have written another one in which you express agreement with my views on the choice of products for price comparisons. Could you send me a copy of that letter as I have not received one? Until then, let me restate what I said in my letter of July 14th.

Price comparisons need to be made in the event of quantitative restrictions or prohibitive tariffs. In turn, for commodities which are both produced and imported into Argentina, the nominal rate of protection should be taken to equal the tariff. Now, as the availability of customs data indicates the existence of imports, such data may not be used for price comparisons.

Turning now to your point no. 2, if in an industry with prohibitive tariffs, the sample of price comparisons covers only a few products, I suggest that you assign an average of price comparisons for similar products. However, for products not subject to prohibitive tariffs, the nominal rate of protection should be taken to equal the tariff as noted above.

Turning to your point no. 1, whenever LAFTA sources provide less than 50 percent of imports, we may assume that the prices of these products exceed prices of competing suppliers by the preference margin. Correspondingly, one should use the m.f.n. tariff in such cases. By contrast, if LAFTA suppliers account for more than 50 percent of imports, there is likely to be product differentiation, and an average of m.f.n. and LAFTA tariffs should be used. Please feel free to vary the percentages but do not make two sets of calculations. We have enough variants as it is.

In a week or two, I shall be sending you a paper on questions relating to price comparisons which discusses the issues raised in your point no. 2 in greater detail.

With best regards,

Sincerely yours,

Mr. Julio Berlinsky,
Instituto de Estadística y Censos
(CONADE)
Buenos Aires,
ARGENTINE

Bela Balassa.

CC: Mr. D.M. Schydrowsky.

9th September, 1971.

Dear Julio,

From Singapore I talked to Dani who tells me that since your letter of August 4th you have written another one in which you express agreement with my views on the choice of products for price comparisons. Could you send me a copy of that letter as I have not received one? Until then, let me restate what I said in my letter of July 14th.

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In a week or two, I shall be sending you a paper on questions relating to price comparisons which discusses the issues raised in your point no. 2 in greater detail.

With best regards,

Sincerely yours,

Mr. Julio Berlinsky,
Instituto de Estadística y Censos
(CONADE)
Buenos Aires,
ARGENTINE

Bela Balassa.

CC: Mr. D.M. Schydlofsky.

9th September, 1971.

Dear Professor Kitzinger,

Many thanks for your letter of September 6th. I enclose the galley proofs with some small corrections. The major change is at the end of the article where I have appended three new paragraphs. I trust that this will not cause trouble for the printer.

May I ask that your Secretary looks at my corrections in case I did not use the correct marks. I also enclose a short description of my activities for your use in "notes on contributors".

I would like to order 96 offprints of the paper in addition to the 24 with which I will be provided free.

Yours sincerely,

Bela Balassa.

Professor U.W. Kitzinger.
Editor of the Journal of Common Market Studies,
Nuffield College,
Oxford.
England.

encls.

Bela Balassa is Professor of Political Economy at the Johns Hopkins University and Consultant to the Economics Department of the International Bank for Reconstruction and Development. He has taught at Yale University, at California (Berkeley) and Columbia Universities and has been consultant to international and national organisations. He is co-author of:

The Hungarian Experience in Economic Planning (1959)

The Theory of Economic Integration (1961)

Trade Prospects for Developing Countries (1964)

Economic Development and Integration (1965)

Trade Liberalisation among Industrial Countries:
Objectives and Alternatives (1967)

The Structure of Production in Developing Countries (1971)

L4, RUE P

16 rue Perrichont,

Paris 16e.

7th September, 1971.

Dear Monsieur de Robien,

On August 16th my wife wrote to you concerning some of the problems we had with the apartment. These have since been solved in one way or another. I enclose several bills relating to expenses incurred. As we have not received reimbursement for the bill sent to you on August 16th, I presume you prefer that we deduct the amounts due to us from the rent. These are:

Repair of toilet by S.O.S. (bill sent with letter of August 16th)	Fr. 124
Repair of washing machine (see letter of August 16th)	56
Plaques mousse for safe and fauteuils (as discussed with you in August)	108
Cleaning of appartement (as arranged with your secretary)	64
	<hr/>
	352
	<hr/>

Deducting the expenses of 352 Frs. from the sum of 2,200 there remains 1,848 Frs. A check for this amount is enclosed.

I also enclose a receipt for the rent with the request that you have it retyped on Interurbis stationery and send me an original and one copy.

With best regards,

Sincerely yours,

Bela Balassa.

Monsieur E de Robien,
Inter-Urbis,
5 rue du Docteur Lancereau,
Paris 8e.

Tel : WAG 0375.

INTERURBIS

Monsieur Bela Balassa,
16 rue Perrichont,
Paris 16e.

This is to acknowledge receipt of Frs. 2,200.00
equivalent to \$ 419.05 at the exchange rate of 5.25 Frs
to the dollar, for one month's rent of the apartment
located at 16 rue Perrichont, Paris 16e.

Paris, 7th August, 1971.

16 rue Perrichont,

Paris 16e.

7th September, 1971.

Dear Dorothy,

I wonder if I may disturb you with a request. At the time of the purchase of the house, you indicated to me that I will receive a bill for taxes due in the second half of 1971, for payment to be made on September 1st. I have not yet received any bill and would not like to fall into arrears but I do not know where to write.

Could I possibly ask you to do me a favour and enquire about this and have the bill sent to me at my Paris address. Let me add here that my mail is regularly forwarded from Washington and I would have received a bill, had it been sent out.

We are having a pleasant time in Paris and hope that you may have the chance to visit us here.

Sincerely Yours,

Bela Balassa.

Mrs Dorothy Newman,
2139 Wyoming Avenue,
Washington D.C.

L⁴ 16 rue Perrichont,

Paris 16e.

7th September, 1971.

Dear Sirs,

Your revision of the statement of my security account is incorrect and I cannot accept it. I had written about this to you before and I am surprised that you made the same error again.

I return the statement and wish to have no further correspondence on this matter.

Sincerely yours,

Bela Balassa.

Thomson and McKinnon Auchincloss Inc.

Members of the New York Stock Exchange,
2, Broadway,
New York N.Y. 10005,
212/422-5100.

7th September, 1971.

Dear Anne,

Many thanks for sending me the memos by Deepak Lal. It seems that I will have to enter into a new controversy.

I have not yet received the things sent me in the mid-August air pouch; nor has the second parcel addressed to my home arrived. Did you send any reprints of my papers in the airpouch parcel? If you were not able to because they had been packed away beforehand, I wonder if I could possibly ask you if you could send me a set of reprints of my papers for the last six years from my home. As you enter the library from the salon, they are on the top of the bookshelf on the left. I would greatly appreciate it if you could go to my home for the reprints; I am sure that Susan Kraut would not mind.

I am still not getting official mail from the Bank (Senior Staff minutes, newsletters and similar things). Could you please check that these are sent to me here.

Everything is fine here; besides our work we are enjoying Paris.

Sincerely yours,

Bela Balassa.

Miss Anne Jeffery,
Economics Department.

16 rue Perrichont,

Paris 16e.

7th September, 1971.

Dear Mr. Wurzburger,

As I informed you in an earlier letter, I shall be in Paris until January 15th, 1972, at the above address. Please send all communications here and not to my Washington address during this period.

Sincerely yours,

Bela Balassa.

Mr. W.S. Wurzburger,
President of the Hyperion Fund Inc.
37 Wall Street,
New York, N.Y. 10005.
U.S.A.

16 rue Perrichont,

Paris 16e.

7th September, 1971.

Dear Erik,

I was delayed in returning to Paris and didn't arrive there before the 10th August. As I had to leave for the Orient a few days later I was unable to come to Brussels to meet you there. I tried to contact you at the F.A.O. but you had already left so I left a message with Max Kreinin, in the hope that you would get in touch with him. I also tried to call the Park Hotel in Brussels but you were not there.

I am very sorry I was not able to meet you and will call you during my stay in Washington, between November 1st and 3rd. Please drop me a line beforehand to tell me whether you will be in Ames at the time.

We are enjoying Paris and Carol joins me in sending our best regards to you and your family.

Sincerely Yours,

Bela Balassa.

Professor Erik Thorbecke,
Iowa State University,
Ames,
Iowa.

International Bank for Reconstruction and Development,

66 Avenue d'Iena,

Paris 16e.

7th September, 1971.

Dear Larry,

Thank you for your letter of September 1st. All the items on your statement of expenses are find and I am sending it to Washington for payment.

It was good to see you in Seoul. I have since slightly revised my advisory report of which I enclose a copy.

With best regards to

Myrt and Michelle,

Sincerely Yours,

Bela Balassa.

Mr. Larry E. Westphal,
Assistant Professor of Economics
and International Affairs,
Woodrow Wilson School of Public
and International Affairs,
58 Prospect Avenue,
Elm Club,
Princeton,
New Jersey 08540.

720-2510

3rd September, 1971.

The Economist Book Shop,
Clare Market,
Portugal Street,
London W.C.2 2 AB.

Dear Sir,

Please send me the following books and bill me at the above address.

Harry Johnson - Money Trade and Economic Growth.
(paperback)

Bhagwati - International Trade - Penguin Modern Economics
Readings (paperback)

Theberge - Economics of Trade and Development.

Please send me also a catalogue of books on economics, as well as your latest general catalogue and the catalogue of Penguin paperbacks.

Yours faithfully,

Professor Bela Balassa.

3rd September, 1971.

Dear Anne,

I would urgently need some correspondence relating to export subsidies by developing countries. I had an exchange of letters on this subject with Gardner Patterson some two years ago. I also wrote a memorandum addressed to Namarck and to Michael Hoffman, probably in late 1969. I hope you will be able to find all this.

I have not yet received the material you sent me about August 20th in a U.N. Airmail parcel. Since mail sent in this fashion is often delayed in the post, I presume that it will eventually reach me. What worries me rather is one of the packages sent to my home address on July 16th by sea mail. According to one of your earlier letters, two were sent, yet only one has arrived. Could you please check on this; I even wonder if, in the end, perhaps only one package was sent, as I have not yet missed anything I should have received.

Larry Westphal will send you a list of people, mainly in Korea, to whom copies of my two recent papers (WA and AERPP, May 1971) should be sent. Please add to the list my two collaborators in Taiwan, Mr. Tsiu (Z), also in Taiwan, and Professor Liu at Cornell.

Finally, Carole would be grateful if you would mark on the enclosed list the publications available in the Joint Fund-Bank Library, indicating the date from which these are available.

I hope that these requests will not take up too much of your time and that you'll be able to do them besides your work for Maboub Ul Haq. Please give him my best regards.

Bela Balassa.

Miss Anne Jeffery,
Economics Department.

3rd September, 1971.

Dear Jim,

Many thanks for your letter of August 27th. I talked with McAleese on the telephone and I indicated to him that unfortunately I did not have the power to change the rules according to which he has to be examined by two Committees in Baltimore. Indeed, my presence is not even necessary as long as I certify that he has completed the dissertation to my satisfaction.

I didn't have time to react to your memorandum on a meeting of industrial project selection. While I would be in favour of restricting this to industry where some special problems arise, I would in no way be against extending it to project selection in general. Incidentally, as you will by now have seen, I have re-titled my paper omitting the qualifying adjective "industrial". While pressure of time has not allowed me to re-write the paper so as to make it appropriate also for a wider audience in the Bank, I will be glad to write a popular version if there is a demand for it.

I hope that you will look me up if you come to Paris within the next few months.

with warm personal regards,

Bela Balassa.

Mr. George B. Baldwin,
Deputy Director,
Population Projects Department.

Miss Fukuda.

3rd September, 1971.

B. Balassa.

Project for the Singapore Study.

I request that Mr. Augustin Tan's contract for carrying out the study on Singapore in the framework of the project on Development Strategies in Semi-Industrial Countries be amended to include an allowance of \$ 1,000 for research assistance. Funds for this purpose are available in the 1971/72 budget of the project.

OFFICE MEMORANDUM

TO : Mr. P.D. Henderson

FROM : Bela Balassa

SUBJECT : Back-to-office Report: Singapore, Taiwan, Korea.

DATE : 3rd September, 1971.

1. In accordance with my terms-of-reference dated July 9, 1971, I had discussions between August 16th and 26th in Singapore, Taiwan and Korea with country contributors to the Development Strategies for Semi-Industrial Countries Project. In Korea I also attended two sessions of a Conference on Korean Industrialization and advised the government on the tariff reform. My advisory report on the reform is being circulated with a memorandum dated September 1st and addressed to Mr. Goodman.

2. Among the country studies, the one on Singapore has progressed the least. While Dr. Tan's students have completed several studies on effective protection in particular industries and on the problem of brand preferences, the calculation of effective rates in the framework of the input-output table is only now starting. The delay has been due to Dr. Tan's increased role in Singapore's economic and political life. On account of this, we have agreed that Dr. Choa will be associated with Dr. Tan in carrying out the study. Dr. Choa has prepared the input-output table for Singapore and his talents as an empirical researcher well complement those of Dr. Tan whose greatest strength is in the theory of protection.

3. The study on Taiwan, carried out by Dr. Lee in collaboration with Dr. Liang, is progressing satisfactorily. Our discussions concentrated on the problems of price comparisons which are of especial importance in Taiwan where cartellized exporters apparently charge lower prices abroad than in the protected home market.

4. In Korea, Dr. Kim-Man-Je's appointment as Director of the Korean Development Institute has made it necessary to associate Mr. Kim-Kwang-Suk with the study. I had discussions with him as well as with Professor Westphal, the other co-author who spent the summer in Korea. Our discussions concerned primarily the making of price comparisons, the treatment of export subsidies and the problem of weighting nominal rates of protection.

5. I am in the process of preparing notes for the use of the contributors on each of the country studies. I am also writing a methodological paper on "Measuring the Nominal Rate of Protection" that deals with some of the questions raised in the discussions I had on the three country studies.

cc: Messrs. H.B. Chenery.
~~A. Stevenson~~
 Hayes/Lerdau
 Shu-Chin Yang.
 Mrs H. Hughes

R.J. Goodman
 Fontein/Street
 W.M. Gilmartin
 J. Kraske
 R.J. Cheetham.

J.H. Adler.
 M.A. Qureshi
 G. Kalmanoff
 R. Gulhati.

34d September, 1971.

Dear Tom,

I am glad to learn from your letter of August 31st that you will be in Washington in early November, when I will visit there. This will give us the occasion to talk about the questions raised in your letter. In the meantime, you may want to talk to people in the economic and education projects department about your proposed research project; it would be most important to see how they would rank it among other projects on education and labour markets.

With best regards,

Sincerely yours,

Beia Balassa.

Mr. T.H. Silcock.

16 rue Perrichont,
Paris 16e.

3rd September, 1971.

Dear Trudy,

Many thanks for the Hopkins stationery, which arrived the other day. I also received a package of books you sent me. I wonder if one package is still missing, since this one had only 8 books in it. I believe I left a larger number for mailing.

Things are going fine here and we also find the time to enjoy Paris. Please convey my best regards to all in the Department.

Bela Balassa.

p.w. Could you please do me the favour to check on the enclosed list the publications which are available in:

- a) the Eisenhower Library, and
- b) The Library of Sais,

including also the date of the first issue which is available in these libraries. The relevant information is available in the catalogue of the Eisenhower Library.

Miss Trudy Zintl,
Department of Political Economy,
The Johns Hopkins University,
Baltimore,
Maryland,
U.S.A.

16 rue Perrichont,

Paris 16e.

le 3 septembre, 1971.


Cher Pascal,

Je vous remercie de votre lettre du 17 aout. Depuis j'ai pris contact avec Emil Claassen mais je n'ai pas encore pu joindre Madame Nadeau. Elle sera probablement de retour lundi prochain.

J'appellerai Alain Cotta dès que j'aurai parlé avec Mme Nadeau.

Emil m'a dit que vous pensiez rester à Washington plus longtemps que prévu. Il semble donc que vous êtes content de votre "stage" au F.M.I.

En vous remerciant de votre lettre je vous prie de croire, cher Pascal, à mon meilleur souvenir.



p.s. Je vous envoie ci-joint le reçu signé pour les frais de mon séminaire.

I.M.F. -



INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

outward - cheques.

à l'ordre de

M. Bela Balassa

— No 738093C

7 Syonnes

Ajuna AD 429

50 rue Bas.
Bourges
733.0071

1st September, 1971.

Dear Mr. Minister:

I have the honour of submitting to you my advisory report on tariff reform in Korea. Apart from minor changes of style and some rearrangement, this report is identical to the draft you received earlier.

With sincere regards,

Bela Balassa.

Mr. Nam Duck Woo
Minister of Finance,
Republic of Korea.

1st September, 1971.

Dear Mr. Minister,

I have the honour of submitting to you my advisory report on tariff reform in Korea. Apart from minor changes of style and some rearrangement, this report is identical to the draft you received earlier.

With sincere regards,

Bela Balassa.

Mr. KIM Hak-Yul,
Deputy Prime Minister and
Minister of Economic Planning Board,
Republic of Korea,
Seoul,
Korea.

Mr. Raymond J. Goodman

1st September, 1971.

Bela Balassa

Korean Tariff Reform.

1. I enclose a copy of my advisory report on the Korean tariff reform. In preparing the report, I utilized existing material on the reform and benefited from discussions with the Deputy Prime Minister, the Minister of Finance and other government officials. Officials of the Ministry of Finance also commented on a draft of the report.

2. In the report I have emphasized the desirability of future changes in the system of incentives in Korea; it did not seem opportune to suggest changes in the reform proposal itself since this will be submitted to the National Assembly shortly. It is marked "Confidential" at the request of the Korean government, who wish to avoid disclosures on the report before its official submission.

cc: Messrs. D.J. Fontein	H.B. Chenery	J.H. Adler
W.M. Gilmartin	Henderson/Stevenson	M.A. Qureshi
G.M. Street	Hayes/Lerdau	G. Kalmanoff
J. Kraske	Shu-Chin Yang.	R. Gulhati.
R.J. Cheetham	Mrs. H. Hughes	

August 13th, 1971.

Dear Dani,

I enclose a draft of Sections I to III of our joint paper. Please make any changes you see fit to integrate it with the sections you are writing. I do not need to see it again before you send it to Mexico; we will have the chance to make revisions before publication.

Best regards to Beverley,

Sincerely yours,

Beal Balassa.

p.s. I also enclose a short description of the conference, you may not have. Our session is scheduled for October 29, Friday morning and I plan to arrive Wednesday evening.

Mr. Daniel M. Schydlofsky,
P.O. Box 2707,
Djakarta,
Indonesia.

August 13, 1971.

Dear Tom:

Please accept my apologies for not being able to visit you before departure. Unfortunately, the necessity of finishing several papers simultaneously left me no time to see people.

I will be in Washington in the last days of October and I very much hope that I will still find you there. In the meantime, I would be interested to know how you proceed with the reprint series.

With warmest personal regards,

Sincerely yours,

Bela Balassa.

Professor Thomas H. Silcock,
Economics Department,
International Bank for Reconstruction and Development,
1818 H Street, N.W.
Washington D.C. 20433.
U.S.A.

13 August, 1971.

Dear Carlos,

Due to my travels I have not been able to get to your letter beforehand. I hope, however, that my letter will be forwarded to Columbia.

I share your interest in looking at micro-problems. I wonder, however, if meaningful calculations of ERP and DRC could be made for a few activities for several years. For one thing, you are unlikely to get price data for a few years back, for another, as protection should be understood in relative terms, data on the average level of protection would also be needed. Information on the average import exchange rate will not suffice for this purpose since this does not include the scarcity margin that rises during times of foreign exchange control.

If you encounter difficulties in working with time series data, you might perhaps think of disaggregating an industry or two for 1968, separating import-computing and export activities. It would also be interesting to explore differences in the cost structure of domestic and foreign firms, if any.

Have a good time!

With best regards,

Sincerely yours,

Bela Balassa.

Professor Carlos F. Diaz-Alejandro,
Department of Economics,
Yale University,
Box 1987,
Yale Station,
New Haven,
Connecticut 06520.
U.S.A.

16, rue Perrichont,

Paris 16e.

August 13, 1971.

Dear Dermot,

I return the text you sent me with marginal comments.
All additional material should be sent here and I should
in due course receive a copy of the completed dissertation.
A second copy should be sent to Trent Bertrand.

With best regards,

Sincerely yours.

Bela Balassa.

Mr. Dermot McAleese,
The Economic and Social Research Institute,
4, Burlington Road,
Dublin 4.
Eire.

16 rue Perricourt
Paris 16e.
August 13, 1971.

Dear Leonard:

Many thanks for your kind letter. Carol and I hope that we will soon have the opportunity to take you to one of my favourite restaurants.

Any time after September 20th would be fine with me to visit Brussels, at Barre's convenience. I would plan to go for 2-3 days and it would be excellent if your contact there could set up a schedule for me.

Among the people you mentioned, I saw last year Boyer de la Giroday, Wegner, and a German who is in charge of work on macromodels (My files have not arrived yet, and I do not recall the name). Apart from seeing them again I would like to see people who work on programmation (the kind of thing Marjolin and Uri were interested in), recherche et technologie, concurrence et concentration, as well as coordination des politiques à court terme ~~(or its absence)~~. (if any)

Apart from talking to people, I would like to get hold of documents which I would use without attribution. I suppose that permission for this would have to be granted on a higher level. Thus, it would be useful if I could see Barre at the beginning of my visit. Let me add here that I am completely flexible and could make any last minute changes in the dates of my visit to suit him. However, it would help my work if I could do it in the first two weeks after September 20th.

I appreciate your help in this matter. Hoping to see you soon in Paris, I remain,

Sincerely yours

Bela Balassa.

p.s. I can be contacted during the day at the International Bank for Reconstruction and Development, 66, Avenue d'Iena, Paris 16, Tel: 720.2510 and in the evening at the address at the top of this letter, Tel: MIR 5657.

Mr. Leonard B. Tennyson,
European Community Information Service,
2100 M. Street N.W.,
Suite 707,
Washington D.C. 20037
U.S.A.

16 rue Perridon

Paris 16e.

August 13, 1971.

Dear Leonard:

Many thanks for your kind letter. Carol and I hope that we will soon have the opportunity to take you to one of my favourite restaurants.

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Sincerely yours

Bela Balassa.

p.s. I can be contacted during the day at the International Bank for Reconstruction and Development, 66, Avenue d'Iena, Paris 16, Tel: 720.2510 and in the evening at the address at the top of this letter, Tel: MIR 5657.

Mr. Leonard B. Tennyson,
European Community Information Service,
2100 M. Street N.W.,
Suite 707,
Washington D.C. 20037
U.S.A.

16 rue Perrichont,

Paris 16e.

August 12, 1971.

Dear Bob,

Your outline looks exhaustive and I do not have^k anything to add. I wonder, however, if you could not extend somewhat the discussion of policy issues which seems to be somewhat neglected in the outline.

Sincerely yours,

Bela Balassa.

Professor Robert M. Stern,
Department of Economics,
The University of Michigan,
Ann Arbor 48104,
U.S.A.

August 12, 1971.

Dear Professor Borts,

I do not recommend accepting M.E. Kreinin's "Generalised Tariff Preferences -- A proposed Variant". To my mind, the proposal has a fatal flaw in as much as it disregards the possibility that the more developed LDC's which would make use of market opportunities provided by preferences in the DC's would also be the ones to exploit the opportunities offered in other LDC's. The experience of LAFTA and of the East African Common Market provides evidence of the more developed LDCs enjoying the benefits of a customs union.

Sincerely yours,

Bela Balassa.

Mr. George H. Borts,
Managing Editor,
The American Economic Review,
Robinson Hall,
Brown University.
Providence,
Rhode Island 02912,
Area 401,863-2787.

16 rue Perricourt

Paris 16e,

France.

August 11, 1971.

Dear Dermot,

I will certainly be happy to write a letter of recommendation for you to any University to which you wish to apply. I only hope that the present troubles in Ireland will not interfere with your plans.

I do see the difficulties in making comparisons of British and Irish profit rates. It will indeed be best to abandon this line of enquiry.

My congratulations on the publication of your work on effective tariffs.

Last but not least, please accept my best wishes on the occasion of your marriage. You seem to have planned it very nicely to finish the thesis first and then to get married.

With best regards,

Sincerely yours,


Bela Balassa

Dermot Mc Aleese, Esq.,
The Economic and Social Research Institute,
4, Burlington Road,
Dublin 4.

OFFICE MEMORANDUM

TO : Mr. H. Pilvin

DATE: August 11, 1971.

FROM : B. Balassa SUBJECT : Country Economics Work of CES

1. As I received your memorandum too late to be able to comment on it before my departure, I am sending comments only now. While I have not been able to check on research projects carried out by others, I find that several of my own studies are missing from the list. These include research projects on the structure of protection in developing countries and on development strategies in semi-industrial countries, as well as a short paper on Mexico.
2. The structure of protection in developing countries project was completed in 1970 and published by the Bank in 1971. It contains separate studies dealing with the structure of protection in Brazil, Chile, Mexico, Malaya, Pakistan and the Philippines.
3. The development strategies in semi-industrial countries project is in preparation and will be completed in 1972. It examines the incentive systems and their effects in the following countries: Argentina, Columbia, Israel, Korea, Singapore and Taiwan.
4. Finally, while it may not qualify strictly as research, you may consider including in the list my report on Mexican commercial policy. The report was prepared in August 1970 and it was published, I believe, in the November 1970 issue of Comercio Exterior.

cc: Mr. P.D. Henderson.
Mr. J.P. Hayes.

16 rue Perrichont,

Paris 16e.

France.

August 11, 1971.

Dear Sir,

As I indicated to you in my letter in early July, I left the country for a period of six months and do not wish to receive your paper between July 15th, 1971 and January 15th, 1972.

As my subscription was paid up until July 30th, I do not owe you anything.

Yours truly,

Bela Balassa.

District Delivery Service,
P.O. Box 1805,
Washington D.C. 20013.
U.S.A.

August 11, 1971.

Dear Nurul,

I much enjoyed reading your note on the objectives and functions of the D.R.C. I do hope that Merv Muller will take it sufficiently into account in writing the committees report. So far, I have not received a draft from him.

We look forward to seeing you here on September 2nd or thereabouts. You can reach me during the day at the Bank's Paris office (66, Avenue d'Iéna, Paris 16e. Telephone: 720-2510) and in the evening at home (16, rue Perrichont, Paris 16e. Telephone: MIR 5657).

with best regards,

Sincerely yours,

Bela Balassa

Professor Nurul Islam,
Department of Economics,
Yale University,
Newhaven,
Connecticut

August 11, 1971.

Dear Professor Paul,

Thank you for your letter of July 24th. I find your research project of considerable interest and I am afraid that I cannot help you with data on fixed costs. As you know this is most difficult to get owing to problems of definition, valuation, rules of depreciation etc. I hope that the lack of this data will not make the completion of your study impossible.

With best regards,

Sincerely yours,

Bela Balassa.

Professor Samuel Paul,
Professor of Economics,
Indian Institute of Management,
Vastrapur,
Ahmedabad 15
India.

UNIVERSITY OF CHICAGO

August 11, 1971.

Dear Dr. Höhmann,

Thank you for your letter of July 29, which was forwarded to me in Paris. The information you requested for the volume is as follows:

I am Professor of Political Economy at the Johns Hopkins University and Consultant to the Economic Department of the World Bank. Between 1960 and 1966 I was Assistant and later Associate Professor at Yale University. I have published the following books:

The Hungarian Experience in Economic Planning (1959)

The Theory of Economic Integration (1961)

Trade Prospects for Developing Countries (1964)

Economic Development and Integration (1965)

Trade Liberalisation among Industrial Countries:
Objectives and Alternatives (1967)

The Structure of Production in Developing Countries (1971)

I hope that this information will be helpful to you.

Sincerely yours,

Bela Balassa

Herrn Dipl. Volksw. Hans Hermann Höhmann,
Bundesinstitut für ostwissenschaftliche und internationale Studien,
5 Köln 30,
Ehrenfeld,
Lindenbornstrasse 22,
Germany.

August 11, 1971.

Dear Mr. Haimés,

The research in question was published in book form under the title Trade Prospects for Developing Countries by Richard D. Irwin and Co. You may purchase a copy from them direct.

Sincerely yours,

Bela Balassa

Mr. Benjamin Haimés, LL.M.
President of the
World Consortium of Companies,
15720 Ventura Boulevard,
Suite 520,
Encino, California 91316.
U.S.A.

August 11, 1971.

My dear friend,

My Secretary forwarded me your letter of July 30, noting that she has already sent you my two papers on Latin-American integration; I have not written anything on the Andean Pact, nor do I have here a bibliography on the subject.

I shall be most interested to be kept informed on the progress of your study and look forward to receiving a copy when it is completed.

With sincere regards,

Bela Balassa.

Dr. D.P. Ghai,
Director of Economic Research,
Institute for Development Studies,
University of Nairobi,
P.O. Box 30197,
Nairobi,
Kenya,
East Africa.

August 11, 1971.

Dear Miguel,

Many thanks for your letter of August 3. I presume that I will hear from Dr. Kitzinger concerning the date of publication of the paper.

We hope to see you in Paris around September 25. There is a slim chance that we might be away for the weekend and it would be good if you would let us know the dates of your stay in Paris at the earliest.

With sincere regards,

Bela Balassa.

Miguel S. Wionczek,
Adviser,
Centro de Estudios Monetarios Latinoamericanos,
Durango Num, 54,
Mexico 7, D.F.

August 11, 1971.

Dear Mr. Gamir,

Thank you for your letter of July 9th. I understand that you do not wish to publish a translation in your book.

It is kind of you to remind me that the Editors of Informacion Comercial Espanola would welcome any of my original work. I am afraid that I am too buzy to provide an article for the present.

Sincerely yours,

Bela Balassa.

Mr. Luis Gamir,
Ministerio de Comercio,
Secretaria General Tecnica
Gabinete de Estudios de
Politica Arancelaria e Importacion,
Madrid.
Spain.

August 11, 1971.

Dear Sir,

Payment for Miss A. Jullarsen hospitalisation insurance for three months beginning July 1st, 1971 was sent to you on July 1st and the cheque was cashed on July 13th.

Yours truly,

Bela Balassa.

Group Hospitalization, Inc.
550 12th Street, S.W.
Washington D.C. 20024.

16 rue Perrichont,

Paris 16e.

France.

August 11, 1971.

Dear Professor Klinkmüller,

Thank you for your letter of July 27. I am looking forward to receiving your draft.

I am now in Paris, at the above address, and shall be here until January 15th 1972.

Although your research project looks interesting, other obligations will not permit me to participate in it actively in the near future.

Yours sincerely,

Bela Balassa.

Professor Dr. Erich Klinkmüller,
Osteuropa-Institut
an der
Freien Universität Berlin,
Zentralinstitut 1.
Berlin 33 - Dahlem,
Garystrasse 55,

15 rue Perrichont,

Paris 16e.

August 11, 1971.

Dear Mr. Olgen,

I was sorry to hear that you are unable to find data for your planned study on Turkish Agriculture. As regards the new topic you are proposing, I am not entirely sure what you have in mind. You correctly note that this topic is too wide but do not indicate whether you would plan to do a theoretical work or an empirical study. The former would require the use of advanced mathematical techniques and you might perhaps have a comparative advantage in the latter. You might consider, for example, the study of a single industry in Turkey and explore the effects of capital accumulation and growth by fitting production functions.

I would be glad to hear from you again concerning your plans. You can reach me at this address until January 15th, 1972.

Sincerely yours,

Bela Balassa

Mr. Hasan Olgen,
Department of Economic Statistics.
Middle East Technical University,
Anakra,
Turkey.

August 11, 1971.

Dear Sir,

I left Washington on July 1st and the exact date of my return is not yet certain. As I will not be back before the end of the year, I would like to ask you to transfer my membership for the second half of the year from resident to non-resident status.

Please adjust my account accordingly; I return the last statement of my dues.

Sincerely yours,

Bela Balassa

The Secretary,
Cosmos Club,
2121 Massachusetts Avenue Northwest,
Washington D.C. 20008
U.S.A.

August 11, 1971.

Dear Mrs. Balassa,

Your letter was forwarded to me in Paris. Hence the delay in answering.

I do not know of any family connections between Cornelius Balassa and my relatives. We come from the Western part of the country and did not live in Budapest. My ancestors were land-owners and army officers.

With best regards,

Bela Balassa.

Mrs. Cornelius C. Balassa,
Hotel Ausonia, 15-87,
2109 Broadway,
New York, N.Y. 10023

August 11, 1971.

The Review of Economics and Statistics

Request received from Editions Economica,
51 rue Vivienne,
Paris 2e.

to publish "Une démonstration empirique des coûts comparés.

Form return to review of Econ and Statistics.
saying

"I will negotiate my financial terms with the Publisher
directly".

OUTGOING WIRE

TO: MR. KIM HAK-YUL
DEPUTY PRIME MINISTER,
ECONOMIC PLANNING BOARD,
SEOUL,

DATE: AUGUST 11, 1971

CLASS OF
SERVICE:

COUNTRY: KOREA.

Cable No.:

TEXT: ARRIVING SEOUL SUNDAY AUGUST 22 AT 1300 HOURS BY FLIGHT C.I. 810.

REGARDS.

BALASSA.

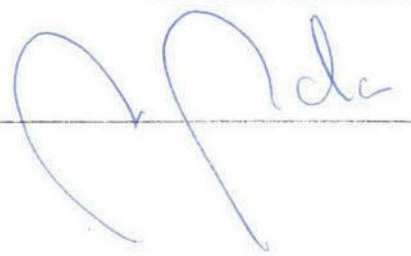
NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME Dr. Bela Balassa.

DEPT.

SIGNATURE



TRANSMITTAL COPY

Form No. 27
(7-61)

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: DR. AUGUSTINE H. TAN.
DEPARTMENT OF ECONOMICS
UNIVERSITY OF SINGAPORE.
BUKIT TIMAH ROAD,
SINGAPORE 10

DATE: AUGUST 11, 1971

CLASS OF
SERVICE:

COUNTRY:

Cable No.:

TEXT: ARRIVING SINGAPORE MONDAY AUGUST 15 AT 1955 ON FLIGHT UTA 564

REGARDS

BALASSA

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME Dr. Bela Balassa

DEPT.

SIGNATURE



TRANSMITTAL COPY

10 August, 1971

Dear Anne,

Your letter of August 3rd arrived in Irigny on Monday morning just before I left. The letter of August 5th was here at the time of my arrival in Paris. I am answering both of them.

I am sorry to hear that my books had to be taken home but I guess there was no other solution. I presume that the Bank will take care of transporting them back after my arrival. Let me add here that all the papers stored in Connie's room are mine.

The TWA packages have arrived; many thanks for the arrangements you have made. The books sent to my apartment here have not yet come; the two packages of books and the mail sent to the Bank's office were awaiting me on arrival. ~~I have not yet looked at the latter.~~

As regards the S.O.P. books, I meant to order the paperback rather than the hardback version. Mr. Lind told me that the paperback version will be distributed so that I assumed I would get these myself. In case you have not yet sent out the books, please return the 20 extra copies in exchange for paperbacks. Should you already have sent them out, please find out whether the \$7.20 price indicated in Pat Stevens' memo is before or after the 40% discount.

I am wondering what could have happened to the change of address cards. I asked Simone de la R to order some simple cards. The long delivery period makes me suspect that she ordered something very elaborate such as engraving. Could you please call her and say that we are anxious to know particulars about the order including the price. Do tell her in a nice way that we hoped for something simple and fast. Owing to this delay I would ask you to send the cards to Europe, other than Hungary by air mail; for the Hungarians it is not urgent. If you have to do this in your own time, please write out a small bill so that I can secure payment from the European project. It would be a good idea to change my room number in the Bank telephone books so that everything comes here. I can then decide what I want to keep and eventually mail them back to Washington.

A few other things: Air France informed me that I have received the Paris - Mexico - Paris ticket. Also I got a letter from Harry Johnson indicating that the "Once Again" paper has been accepted by the J.P.E.; please send me a copy so that I can write the abstract they asked for. Finally, I enclose the activity report for July; could you please send me enough copies to last me for the next few months.

Many thanks for all the assistance you have given me, Carol and Mara join me in sending you our best regards. We all had a pleasant vacation and now back to work.

Bela Balassa.

Miss Anne Jeffrey,
1818 H Street, N.W.,
Washington, D.C. 20433,
U.S.A.

August 10, 1971.

Dear Dani,

Your three letters dated July 22, 23 and August 5 were waiting for me in Paris. I will postpone answering them until I can get my affairs organised, and I am writing to you now in connection with my stay in Singapore.

I am sorry to hear that you will not be able to visit me there: I understand that you are tied up on August 17th. I will, however, call you on the evening of the 16th to see if we could meet on the 18th. Barring delay of the plane, I would call you between 9 and 10 p.m. In the event that you wish to give me any message, I shall be staying at the Singapore Hilton. *Leave*

I am sorry that you have taken amiss the statement in my letter of June 21 to Tom; it was meant as a wish and in no way as an "order". At the same time, it didn't seem necessary to discourse on the matter in great detail since I had spent a considerable amount of time discussing it with Tom in Bogota. At any rate your earlier letter did not contain detailed arguments I could have addressed myself to; I will do so in regard to your letter of July 22nd.

I am happy to report that our "Once Again" paper has been accepted for publication. We will have the opportunity to move the footnote on Bacha and Taylor in proof. Are there any additional changes you would like to make beforehand?

Carol and Mara join me in sending our best regards to Beverley and yourself.

Bela Balassa

Mr. Daniel M. Schydlofsky,
P.O. Box 2707,
Djakarta,
Indonesia.



Record Removal Notice



File Title Research on Economics and Development - Bela Balassa - Chronological Record - August 1971 through January 1972 - Paris		Barcode No. 30280403
Document Date August 10, 1971	Document Type Letter	
Correspondents / Participants From: Bela Belassa To: Riggs National Bank		
Subject / Title Account information		
Exception(s) Financial Information (iv)		
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.
		<table border="1"><tr><td>Withdrawn by Ann May</td><td>Date 13-Jan-17</td></tr></table>
Withdrawn by Ann May	Date 13-Jan-17	