Index

accounting prices, 34, 36, 38, 41-42, 53, 80-81, 82-83, 83a; application of, 86-87; and appraisal of investment projects, 39-41; calculation of, 82-83, 83-86; defined, 40; and fundamental disequilibria, 75-78
A.K.U. (Netherlands rayon corporation), 62
alternative programs, 11, 16, 80, 83
appraisal of investment projects. See national product (or consumption) test; private investment; public investment
balance of payments disequilibrium, 5, 39-40, 76, 86
Belgium, investment in transportation, 91
bottlenecks, economic, 8, 26-27
capital: definition of, 70-71; per person employed, 24, 71-72, Table, 73; scarcity of, 49, 77
capital coefficients, 13-16, 70-76, 82; of American industries, Table, 72; definition of concept, 70-71; for national economies, Table, 74; and savings rates, 15; and statistical sources, 15-16; for underdeveloped countries, 13, 73-76
capital intensity, 13, 32, 34, 49, 50, 71, 72-73
capital-output ratio, 71, 73-75; see also capital coefficients
Central Institute for Industrialization, Netherlands, 57
Clark, Colin, 17n, 74n
competition, international, 18
complementarity, 31-32
consistency conditions in development, 9, 10
consumer goods, demand data on, 17
cost, comparative, principle of, 19
cost estimates: and private investment projects, 47-48; testing of, 21, 22-24
cottage industries, 37-38, 53
data and information, 5-6, 9-10; on alternative production methods, 24; demand data, sources of, 17; quality of, influence on programming, 27; as stimulant to private investment, 55-57; see also cost estimates; demand analysis; market analysis; statistics

95
demand analysis, 16–19; econometric, 22; and expansion of exports, 24; and harmonious investment programs, 22; importance of, to large and small producers, 21–22; and stimulation of private investment, 56
demand changes, and changes in income, 18
demand data, sources of, 17
demand elasticities, 19, 32
development policy: failures in, 67–69; and need for private investment, 20–21; objectives of, 3–4; and size of country, 8; under varying conditions, 7–8; see also economic development; programming
Director General of Industrialization, Netherlands, 56, 57–58
disequilibria, fundamental, 39–40, 42, 76–78; see also balance of payments disequilibrium
Drenthe, Netherlands, 62
econometric demand analysis, 22
economic development: in advanced countries, 3; aims of development programs, 14, 30–31, 36–38, 79; alternative programs for, 11, 16, 80, 83; and basic government investments, 6–7; conditions for, 4–5; factors underlying, 11; potentialities for, awareness of, 5–6; rate of development, estimate of, 12; see also national product (or consumption) test; private investment; public investment
Economic Development Institute, v–vi
efficiency, economic, 65–67
Emmen, Netherlands, 62
equilibrium interest rates, 39, 40
European Coal and Steel Community, 59, 67
export commodities, 12–13, 20
Finland, 39
flexible pricing, 82–83
foreign capital investment, conditions for, 60–61
foreign demand, 16
France, investment in transportation, 91
Frisch, R., 20
government: direct control by, in production, 65–66; management of enterprises by, 66–67; participation of, in investment, 59–60; tasks of, in economic field, 4–5, 65
Hagen, E. F., 75
harmonious programs, 22, 24
home market, 16, 22, 24, 48
import substitution, 18
imports, estimate of, 12
income: distribution of, 51–52, 80; and expenditure, relation between, 18; national, 13–14, 79; national, attainment of maximum total, 35–37; per capita, and population growth, 14
income transfers, 52
India, 39, 75; investment in transportation, 90
Index

indirect consequences of development programs, 33-34, 84-85
"infant industry argument" for protection, 51-52
inflation, 4-5, 7
interest rates, 42, 50, 77; equilibrium and market rates, 39, 40
International Bank for Reconstruction and Development, v, 86
"intrinsic values," 39, 40, 76-77
investment. See capital coefficients; private investment; programming; public investment
Koppejan, A. W. G., 67n
Kuznets, Simon, 74n, 90
labor-intensive projects, 26, 27, 34, 49, 71, 72, 75
labor peace, and foreign investment climate, 61
land reclamation projects, indirect consequences in, 33-34
Leonieff, W., 71, 90
"linear programming," 20
macro-economic and micro-economic programs, 11-12, 15, 16
management, freedom of, 66-67
market analysis, 16-20; role in private investment, 47-48
market prices, 21, 38, 39, 40, 53, 83n, 86
Mexico, 13, 14, 75; investment in transportation, 90
national product (or consumption) test, 31, 33, 37, 41-42; accounting prices, choice and application of, 85-87; application, examples of, 42-45, Tables, 44; appraisal of investment program, principles underlying, 33-34, 81-84; consequences, evaluation of, 84-85; problem, nature of, 79-81; secondary effects, estimation of, 87-90, Table, 87-88
national welfare test, 31, 33, 42
Netherlands, 20; demand analyses in, 56; government participation in investment, 59; investment projects, 43-45, Tables, 44; protection of industries in, 52; subsidy of private investment projects in, 53, 54; transportation, investment in, 91
Norway, investment in transportation, 91
optimum tariff, 51
ownership, government, 65-66
ownership, mixed, 67
population estimates, 12
population growth: and per capita income, 14; and savings rates, 15
postponable demand, 18
power, investment in, 31-32
prices, changes in, and demand estimates, 18-19; see also accounting prices; market prices
private investment: and economic efficiency, 65-67; encouragement of, 57-58; failures of new enterprises, 68-69; financing of, 58-61; and foreign capital, 60-61; government participation in, 59-60; and indi-
vidual projects, role in general development pattern, 20-24; industries, elements in choice of, 47-49; information as stimulant to, 55-57; market and cost analyses, role of, 47-48; minor facilities, government assistance in, 61-62; protection of industries, 51-52; public ex. private activity, question of, 63-67; sound projects, search for, 46-47; stimulation of, 7, 8, 21, 50-58; and subsidies, 52, 53-54; and tax policy, 7, 30, 54-55; technology, choice of, 49-50.

private profits, and investment project appraisals, 37-38, 42-43

"product," concept of, 70

programming: and alternative programs, use of, 11, 16; and bottlenecks, 26-27; coefficients in, statistical sources for, 15-16; and consistency, 9, 10, 24; imports and exports, estimates of, 12-13; improvement in, 67-68; and individual projects, 20-24; influence of public attitudes on, 27; and international duplication, 24-25; linear, 20; macro-economic and micro-economic programs, 11-12, 15, 16; market projections, 16-20, 21-22; nature and aims of, 9-11; outline of, 11-16; and quality of data, 27; and selection of projects, 29, 84; "shadow-programming," 82-83, 85; and stimulation of private investment, 56; and time-lags in investment activity, 15, 20; types of, under varying circumstances, 25-28; see also capital coefficients

public health facilities, 32

public investment, appraisal of projects: and aims of government policy, 36-38; and complementarity, 31-32; and economic efficiency, 65-67; and freedom of management, 66-67; indirect consequences, 33-34; and private profit calculations, 37-38, 42-43; scarce factors, use of, 35-36; secondary consequences, 34; trial-and-error methods, 20, 36; uniform method of, need for, 29-31; see also accounting prices; national product (or consumption) test; national welfare test

public ex. private activity, 63-67

quantitative restrictions, 52, 82

resources, scarce, 35-36

Rist, Leonard, vi

savings, 13, 34, 82, 85; and changes in population, 15

Schoonebeek, Netherlands, 62

secondary consequences of development programs, 34, 85, 87-90

"shadow development program," 82-83, 85

South Asia, investment programs for, 14

statistics, 5-6, 9-10; and derivation of coefficients for programming, 15-16; family budget, 17, 18; and
Index

improvement in programming, 67–68
subsidies, 27, 34; in lieu of protection, arguments for, 53; as stimulant to private investment, 52, 53–54
tariffs, 51–52
tax policy, and private investment, 7, 30, 54–55
tax revenue, 10, 13, 53–54
technology, and private investment projects, 49–50
time-lags in investment activity, 15, 20

transportation, investment in, 31–32, 90–91

unemployment, 39
United Kingdom, 13; investment in transportation, 91
United States, 13, 39, 75; investment in transportation, 90

wage rates, 38, 39, 40, 43, 45, 50, 53, 77

Zuiderzee project, 43, 59, 67