THE PLAN THAT FAILED

THE UNITED NATIONS DEVELOPMENT DECADE, AND BEYOND

INAUGURAL ADDRESS

DELIVERED ON THE OCCASION OF THE ACCESSION TO OFFICE AS ORDINARY PROFESSOR OF ECONOMICS AT THE INSTITUTE OF SOCIAL STUDIES AT THE HAGUE ON JANUARY 9, 1967

BY

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Members of the Board of Trustees,

Members of the Academic Staff and of the Administrative Staff of the Institute of Social Studies,

Participants in Courses of the Institute of Social Studies,

Ladies and Gentlemen,

1. *The subject matter*

Development planners are sometimes accused of having too much confidence in their own activities and plans. The economic planner in particular is – even in the eyes of some of his fellow developers – a somewhat suspect individual, who has fallen in love with the techniques of quantitative economic analysis and policy making, who has been blinded to the intangible but profound differences in socio-cultural and political environment by his predilection for quantifiable economic relationships – a man, in short, who talks so often and so loudly about his equations and parameters, his ratios, percentages, and GNP estimates, that scientific modesty or a sense of inadequacy seem to be alien to his thinking and behaviour.

I am sure that I will not surprise the audience when I say that to me the above picture is a caricature rather than a portrait of the economic planner. As always is the case with a caricature, there is some truth in it – though not necessarily much. However that may be, this is not the proper occasion to discuss this point further, for the simple reason that an inaugural address is a monologue in its very nature. Perhaps I can weaken the impression that development planners behave as if they knew the answers to all questions by choosing as the starting point of my short exposé a plan, a set of policy proposals, that is not going to be realized. Therefore, I should like to ask your attention for the Plan that failed. The plan concerned is formed by the proposals for action formulated and accepted by the United Nations at the beginning of the Development Decade.

2. *The objectives of the Development Decade*

The Development Decade itself has not yet come to an end; it covers the period of the nineteensixties. Nevertheless it seems all too certain that the objectives formulated six years ago will not have been achieved by the end of the decade. What are these objectives? The basic statement is found in a resolution of the U.N. General Assembly; it stipulates that the objective will be to "accelerate progress towards self-sustaining growth of the economy of the individual nations and their social advancement so as to attain in each underdeveloped country a substantial increase in the rate of growth, with each country setting its own target, taking as the objective a minimum rate of growth of aggregate national income of 5 per cent at the end of the Decade" (6, p. 7). The minimum annual rate of growth of 5 per cent is the only target numerically specified; in addition, we find that the following aims in the economic sphere are mentioned: "the reduction of internal disparities within underdeveloped countries, the achievement of a high rate of savings and investment, and the achievement of a high level of training and current developmental expenditures" (6, pp. 9 and 10). But the scope of the Development Decade proposals is certainly not limited to "economic" objectives only; the General Assembly resolution "refers specifically to social advancement, social development, land reform, the elimination of illiteracy, hunger, and disease, improvements in education and similar measures of social progress" (6, p. 9).

Now what has been achieved so far, and why are the prospects for reaching the objectives so gloomy? We shall single out a few of the objectives for further discussion. To begin with, let us see what the average growth rate of the "developing" part of the world has been. According to the most recent data (7, p. 1; 3, p. 17), the gross national product of all less-developed countries taken together increased during the period 1960–1965 at an annual rate of only 4 per cent, or even slightly less than that. This compares unfavourably with the growth rates of the nineteenfifties; the annual growth rate was just under five per cent during the first half of the fifties, and 4.5 per cent during the second half of that decade. Instead of "a substantial increase in the rate of growth", as was aimed at, a further decline of the growth rate occurred. The minimum rate of growth of 5 per cent has been realized in at most one-third of the total number of developing countries, and those that did reach or

surpass the 5 per cent growth level frequently were the countries already better-off within the developing world, such as Greece, Israel and Venezuela.

Another objective of the Development Decade proposals is, as has already been mentioned, the elimination of hunger. The sad truth is that since 1960 per capita production of food in developing countries has decreased by two or three per cent (2, p. 15). In 1965, at the Development Decade midpoint, food production per head of the population was just below the pre-war average: the only region that slightly improved its position in this respect, in comparison to the pre-war level, is the Middle East. Thanks to increased imports of food from high-income countries, per capita food consumption in the developing continents probably is just a few per cent higher nowadays than thirty years ago (2, p. 33). This implies, nevertheless, that the number of people that go hungry is larger today than ever before.

Let us investigate still another objective of the Plan under discussion. An important element of social advancement or development is the creation of a sufficient number of employment opportunities in order that open or disguised unemployment may be cured or prevented. What information do we have on the changes in the employment situation during the first half of the Development Decade? In point of fact, statistical data on the employment problem are very scanty. For this reason we shall approach the matter from another angle. As has been already observed, the annual rate of the economies of the developing countries was approximately 4 per cent during the first half of the nineteensixties. If the average labour productivity would not have increased at all, employment similarly would have grown by 4 per cent per annum. However, it is likely that there has been a modest change in the production structure, as a consequence of a higher growth rate in manufacturing industry than in agriculture. And because labour productivity is higher in industry than in agriculture, such a shift towards industry should have caused a slight increase in average labour productivity. Moreover, technical progress in general may have had some impact on production techniques used in developing countries. These two considerations lead to the conclusion that average labour productivity might, after all, have increased somewhat in these countries, which would imply that employment has risen by less than 4 per cent annually.

In developed countries in the West, the elasticity of labour productivity with respect to the volume of production may be put at something like 0.5. If the same value would hold in the case of developing countries, employment would have increased by only 2 per cent per year since the beginning of the present decade. This figure is presumably on the low side. Averaging the two estimates of 2 and 4, we may assume that additional jobs were created at an annual rate of about 3 per cent of the population already employed. This percentage should be compared with the increase in the supply of manpower. Demographic data suggest that the size of the available labour force increases by about 2 per cent per year – a figure that soon will rise to 2½ or 3 per cent, when the children born during the birth wave of the recent past and the present will reach the age of 15 years or so, and enter the labour market. If, finally, we assume that, on the average, 80 per cent of the available labour force in developing countries is gainfully employed, we can calculate the increase in the percentage of the employed in relation to the total labour force at 0.4 percentage points annually.

Let me try to put this conclusion in as simple a form as possible. If the unemployment ratio was, say, 20 per cent at the beginning of the Development Decade, it may be estimated at about 18 per cent at the decade's midpoint. In other words, the percentage of the unemployed in the developing economies possibly has decreased somewhat. The percentage of this decline is, however, so small, that in absolute numbers unemployment may still have increased. The prospects are that unemployment will rise in the near future, both in absolute and in relative terms, unless the growth rate of the less-developed economies is pushed up significantly.

I have mentioned a few facts which indicate that the Development Decade is going to fail in reaching the objectives in the fields of (i) the growth of national income in developing countries, (ii) the elimination of hunger, and (iii) the improvement of the employment situation, as a basic element in social progress. The time at my disposal does not permit a discussion of recent development with regard to the other objectives; it is clear, nevertheless, that also with regard to matters such as land reform and the reduction of internal disparities in the level of material well-being (within less-developed countries individually) no impressive achievements can be put on record. It is altogether a rather sad story that I am telling you; but facts are facts, however unpleasant they may be to hear.

3. *Factors causing the low rate of growth*

Now why is it that the development performance in the less-developed countries has been so disappointing? There is no easy answer to that question. Experts from different fields of study are likely to offer different explanations – and give different opinions on and appraisals of the present-day situation. The anthropologist may point to a failure to understand and take into account the value judgements and patterns of behaviour of the individual citizens of the developing nations. The sociologist may make – I think – a similar statement (in a different wording, of course), and indicate that still a number of social institutions and customs are in existence that block or at least hamper progress on the road of development. The demographer has a comparatively easy task in this team of scholars, as we all can easily understand that the amazingly high growth rates of population in economies where labour is already abundant place a heavy burden on the resources available. The political scientist may contribute to our understanding of the unsatisfactory achievements by emphasizing the considerable internal political difficulties that a number of developing countries has to face, or by analyzing the consequences of the power structure (and its changes) in today's world.

As I happen to be an economist, I should like to point in particular to the economic factors which have had an impact on the rate of development. We may combine those factors under the heading of the limited availability of economic resources. In today's discussion, I want to narrow it down to the shortage of financial means available for development purposes, and I shall abstain from considering the problems around the supply of skilled manpower and entrepreneurial talents.

4. *The two "gaps" in development financing*

In development financing, two aspects are to be distinguished. Firstly, the level of savings determines the level of investment; if we want to increase the rate of development, we have to raise the volume of investment, and consequently the volume of savings. Secondly, a certain level of economic activity, a certain level of production, will require a certain level of imports – imports of capital goods, of raw materials and semi-finished products, and of essential consumer goods. The feasible level of imports depends in turn on the exports of the country concerned. The two problems in

financing economic development are, therefore, how to find the funds for increasing investment, and how to obtain an increase in the foreign currency that is available. First and foremost, domestic action is needed to solve these problems; from the investment point of view, savings have to be increased, and from the foreign currency point of view, exports should be increased. If domestic measures fail to reach the aims, international assistance in the form of capital aid is the only possibility to fill the gap. The interesting thing about capital aid is that it contributes at the same time to a solution of the investment scarcity *and* of the foreign currency shortage.

Summarizing: If we want to analyze how problems of development financing have limited the possibilities of growth in less-developed economies during the first half of the Development Decade, three central issues come to the fore:

(a) were domestic savings in developing countries inadequate to realize the planned rate of growth (the investment aspect)?
(b) were export receipts insufficient to meet the import requirements (the foreign exchange aspect)?
(c) has the volume of capital aid been smaller than was to be expected (which is related to both the investment and the foreign currency aspect)?

If we try to find an answer to the above questions by studying the statistical data available for the recent past, we have to be extremely careful in interpreting the figures. This is due to the fact that the statistical magnitudes obviously are *ex-post* magnitudes; that is to say, they indicate what has been realized, and not what could have been realized. It is easy to demonstrate that on the basis of realizations the savings gap and the foreign trade gap are necessarily the same. Thus, if in any year in the past domestic savings fell short of the investment level by a certain amount (which therefore must have been covered from foreign sources), the deficit on the current account of the balance of payments is necessarily equal to that amount. On an *ex-ante* basis, that is on the basis of intended behaviour, the two gaps might well be different. It does make sense, therefore, to discuss on the basis of *ex-ante* magnitudes whether savings or foreign currency constitutes the real bottleneck for economic growth in any particular period of time and for a particular country. *Ex-post* magnitudes, on the other hand, do not reveal where the greatest problems lie; national accounts do not show

items such as "savings disposable but not invested", or "foreign currency that could not be utilized because of a slow rate of growth". If foreign currency is the bottleneck, part of the intended savings will be turned into consumption. If savings are the limiting factor, part of the foreign exchange available will be used for non-essential imports, or indeed for building up some reserves. The upshot of this discussion is that it is impossible to find out, simply by looking at some figures, whether a shortage of savings or import difficulties were the major factor responsible for the disappointingly slow rate of growth in developing countries. Nevertheless, we will try to analyze this matter in some more detail.

5. *The gaps quantified in aggregate analysis*

On the basis of past trends, and with a target rate of growth of the gross national product of 5 per cent – the Development Decade target –, the U.N. Secretariat prepared estimates which reveal that the hypothetical savings gap in 1970 for all developing countries together might be of an order of magnitude of 12 billion dollars, whereas the foreign exchange gap might be put at 20 billion dollars (5, p. 68). The conclusion that can be drawn from such an illustrative exercise is, that, even if international capital aid would be forthcoming to a level of 12 billion dollars annually (so as to cover the savings gap) additional measures would have to be taken to enable the developing countries to earn the difference between 20 and 12, that is some 8 billion dollars more in foreign currency than they could be expected to do if past trends in foreign trade continue. This could presumably be understood to imply that the difficulties in acquiring enough foreign currency were expected to be greater than those in obtaining an adequate amount of investment funds.

Let us see now how the U.N. estimates compare with reality for the period 1960 to 1965. No data are available on the aggregate savings performance of the developing countries. Nevertheless, it seems unlikely, at first sight, that the difficulties of achieving an investment level allowing a 5 per cent growth would have been unsurmountable. Using the U.N. projections as a starting point, and assuming the average savings ratio in 1965 to be equal to the one of 1960, the savings gap would have been 9 billion dollars in 1965. As the volume of the long-term capital inflow may be estimated at 6 billion dollars (9, p. 212), there remain 3 billion dollars to be covered by an increase in the amount of domestic savings. Such an increase

could be brought about by raising the average savings rate with $1\frac{1}{2}$ per cent. This, in turn, could have been realized with a marginal savings ratio of 0.20. A value like this would seem to be within reach for most developing countries, although it certainly would require substantial and concerted efforts from the side of citizens and government. The limited statistical information available on this point is not so reassuring, however. In their recent article on Foreign Assistance and Economic Development, Chenery and Strout present estimates of feasible marginal savings ratios for 50 developing countries (1, pp. 712 and 713). In the case of the medium-level estimates, about half of the total number of countries may be expected to reach or surpass the 0.20 marginal savings ratio; in the more optimistic alternative, all but four countries attain or surpass this value. According to the more conservative estimate, on the other hand, less than thirty per cent of the countries reach this desirable level of the marginal savings ratio (see also 8, p. 16)

Regarding the foreign trade performance of the developing countries in the first half of this decade, optimism seems to be justified if we observe the overall growth rates (3, pp. 12–14). Exports of the less developed countries to the rest of the world increased in these five years at an annual rate of 6 per cent (at constant prices), while the U.N. estimate was 4 per cent only. Concerning imports from the rest of the world, the discrepancy between projection and reality points into exactly the opposite direction; the projected growth was 6.5 per cent annually, and actual growth came to some 5 per cent only. As a consequence, the foreign exchange gap has been much smaller than expected. Visible foreign trade virtually balanced in 1965, instead of leaving a 5 billion dollars deficit as implicitly foreseen in the U.N. projections. Due to payments in foreign currency for net imports of services and for foreign factor income, an overall foreign exchange gap persisted; its order of magnitude may be estimated at 5 billion dollars. As the inflow of long-term foreign capital was larger than this, the developing countries as a group were able to slightly improve their reserves of foreign exchange, not only in 1965 but also in 1964 (4, p. 32 and 8, p. 3).

The preceding analysis has shown that, given the actual level of long-term foreign capital assistance, (i) it may indeed have been difficult for a number of developing countries to mobilize an adequate amount of investment funds, and that (ii) foreign exchange receipts have increased more rapidly than usual and were not

entirely absorbed by increased imports and other necessary payments. The conclusion that forces itself upon us is that the investment-savings gap must have been more difficult to bridge than the import-export gap, contrary to what would follow from the projections of the U.N. Secretariat. However, in point of fact it is not as simple as this. The aggregate analysis in which all developing countries are considered together is apt to lead us astray in this respect.

6. *The gaps for different groups of countries*

Regarding the increase in foreign currency holdings, it should be observed that these improvements were concentrated in a small number of countries, primarily the major petroleum exporters. As the oil exporting countries so far have not shown much interest in putting their reserves to an appreciable extent to the use of less fortunate developing countries, we may as well separate them in our further analysis from the main part of the developing world. It is with this "main part" of the less-developed world that we shall be dealing in the following paragraphs.

The prime reason for the relatively favourable development of the exports of the South during the past five or six years is to be found in the high rate of growth of production in the developed countries. Economic expansion in the West – the major customer for the exports from the South – turned out to proceed more rapidly than expected, and some demand elasticities have been underestimated. Consequently, less-developed countries could sell considerably more to the high-income economies than was expected – according to the G.A.T.T. calculations some two-thirds more than the projections made by the U.N. Secretariat (3, p. 13).

As the 1965 G.A.T.T. report shows (3, pp. 16–19), the increase in exports during the first half of the present decade was distributed quite unevenly over the individual developing countries. A substantial gain in export receipts has been realized in a rather large number of relatively small countries. This group of countries experienced at the same time a fairly rapid expansion of production and income, though at a rate lower than the growth rate of exports. Imports went up more rapidly proportionally than gross domestic product, but not as fast as exports, with the result that the trade deficit of this group has been sharply reduced. One might say that in these economies growth has been export-oriented and export-

induced; the foreign trade sector has been a leading sector. On the other hand, the transmission of the growth incentives and possibilities from the export sector to the rest of the economy was often lacking or at least insufficient. The above-mentioned G.A.T.T. report states that "a large number of these countries are typically 'dual economies' in the sense that a modern (and generally foreign-owned) export sector in mining, forestry or plantations coexists with a traditional sector in agriculture, but the links between the two sectors are extremely tenuous" (3, p. 17). It is very likely that in the economies of the countries under review not the supply of foreign currency but the amount of savings constituted the bottleneck from the point of development financing; however, institutional problems associated with traditional agriculture may well have been more important in several of these countries than either lack of savings or lack of foreign exchange (8, p. 4).

Not all smaller-sized countries have done equally well in stepping up exports. Sometimes the cause of the slow growth of exports seems to be clear; sometimes we can only guess at it. Among those with a poor export performance we find, for instance, several African countries that gained political independence during the nineteensixties; we find countries where political tensions led to military activities; and we find countries with concentration on one or two export products for which world demand has been extremely sluggish. One cannot help wondering whether in some cases the absence of foreign-owned export enterprises – as referred to above – might be partially responsible for weak export performances. I am thinking in this connection not so much of their technical ability and skill, as of their knowledge of markets and control over distribution channels. For this second group of smaller countries, foreign exchange certainly has been very scarce; however, it is not possible to state with certainty that it was this factor that limited the growth possibilities, as in several countries the availability of investment funds may also have been reduced by the very forces that depressed exports.

For a third group of developing countries the situation is again different. Here the supply of foreign currency seems to have been the decisive factor in determining the rate of development. This group largely consists of the bigger countries (with a population of, say, over 25 millions). Their economies are characterized by the following common features: "a very low level of foreign exchange

reserves, an extremely reduced share of non-essentials in the total import bill, a relatively diversified pattern of output (but not necessarily of exports) and a policy of relatively inwardlooking growth." (3, p. 18). The engine of growth is the domestic market, and due to its comparatively large size, the foreign-trade ratio of these countries is low. The foreign trade that takes place, however, has become of crucial importance for the expansion of the economy as almost all imports are essential goods. The countries in this group seem to have lost some ground in world markets to the smaller countries, possibly because of a certain neglect of their traditional world market products in the desire to diversify production and exports. Also, foreign-owned export firms are either lacking or find themselves in weak positions. As in most countries of the third group the capacity to import was limited because of slowly growing exports; the growth of national income was also limited. There are, of course, some cases of more rapid growth such as Mexico (with a satisfactory increase in non-traditional exports and a booming tourist trade) and Pakistan (with substantial international capital assistance), but even in those cases the availability of foreign exchange seems to have set the pace for economic growth.

At this stage of the discussion, we should remember our tentative conclusion – based on the aggregative analysis of the two gaps in development finance – that very likely it was the investment-savings gap that has been the dominant factor during the first half of the Development Decade. What has been said just now about the differences between the three groups of developing countries shows that this tentative conclusion cannot be maintained as a general proposition. The analysis of the different groups, however rough and superficial it may have been, has demonstrated that the lumping together of all developing countries is a rather dangerous procedure in assessing their actual needs in the field of development finance. Aggregate estimates like those prepared by the United Nations Secretariat are not without value, but they should be interpreted and handled with great care.

7. *Summary and concluding remarks*

The preceding bird's-eye view of the problems of development financing during the first five years of the Development Decade has shown the following situation. To the extent that a shortage of funds has limited the growth of the less-developed economies during this

period – and I, for one, do think that in many countries limitations of the economic resources available did put a brake on growth – it was the investment-savings gap that dominated in perhaps most of the developing countries; but it surely was the import-export gap (or rather the limited capacity to import) that proved to be the greatest obstacle in the larger developing countries. We cannot say, therefore, that the failure to reach the targets of the Development Decade has been caused either by a lack of savings or a lack of foreign exchange; this has been different in different countries. What we can say, on the other hand, is that with a level of foreign capital inflow of, say, twice the present magnitude, the problems of development finance would have been solved for practically all developing countries – at least as far as the Development Decade objectives are concerned. It is another question whether in the long run a target rate of 5 per cent growth is not too low an aim for developing countries; I think it is. But at the moment we have to recognize that even in the present case of a modest growth target of five per cent, the rich countries were unwilling to endorse the plan and support it by gradually increasing the flow of foreign aid. In fact, during the last five years this flow has been kept at approximately the level of 1961. The irresponsible behaviour and hypocrite statements of governments and citizens of prosperous nations are known so well that I do not want to deal with them here.

My story is coming to an end. Let me briefly resume what I tried to explain, and add a few words on prospects and policies for the future. We have seen that the hope of achieving substantial progress in developing countries during the decade of the nineteensixties is likely to be belied by hard facts; a true judgment on the situation at the Development Decade midpoint inevitably leads to this conclusion. The causes of the inability to reach the objectives may be sought in various directions, but it is certain that a shortage in the field of development finance has been one of them. This shortage may primarily demonstrate itself either in too low a level of savings or in an inadequate capacity to import due to insufficient export receipts. Both cases occurred in practice. Roughly speaking the smaller countries with a relatively dominating export sector have suffered from a lack of savings. The larger countries have run more quickly into balance of payments difficulties. The difficulties of financing development were greatly aggravated by the refusal of the high-income countries to enlarge the flow of long-term capital assistance.

What about the future? Both problems of domestic savings and foreign exchange scarcity will continue to impede the developing countries for many years to come. At the present slow rates of income growth, a marginal savings ratio of 0.20 or even 0.25 will have a rather limited effect on the average savings ratio. Even if marginal savings ratios of this magnitude are forced upon the economy year after year, it will take some fifteen years before an average net savings rate of 0.18 or 0.20 can be reached. These will be years of hardship for the population, with very limited increases in per capita consumption. Governments of developing countries will be obliged to considerably increase taxation of the higher income groups in their countries if social unrest is to be avoided. Major efforts should be directed towards improving agricultural output, especially of foodstuffs. This may not require too much investment, as the problems are to a large extent of a sociological or cultural nature. I hope that development sociologists will devote much of their time and energy to the agricultural production problem, however materialistic and down-to-earth this may seem to be in their eyes. Improving food production would ease the solution of the balance of payments problems of the larger countries which frequently are faced with the need to cover local food shortages by importing from developed countries. Co-ordination of development plans, and partial or total integration of their economies, may lessen the dependency on hard-currency earnings, particularly for the smaller developing countries.

I hope that the establishment of the United Nations Capital Development Fund, a few weeks ago, will lead to a substantial increase in the flow of capital to the developing world, but I do not see much reason for optimism in this respect. Therefore, developing countries will be wise to count on having to navigate largely under their own power in heading for development. A successful voyage to a future without hunger and misery requires good navigators. To contribute to the training of such navigators is a challenging task as well as a privilege.

Members of the Board of Trustees,

When a Dutchman without imagination – a tautology? – tries to find a symbolic expression for whatever entity or process he may have in mind, he usually ends up with the good, old-fashioned but never failing examples of the ship and seafaring life. I am sure you

already noticed my lack of imagination when I talked about these navigators, a minute ago. You, as the "Heren IX" of this Institute, have appointed me as one of the ship's officers. I am very grateful indeed for this appointment; I hope to discharge my duties in such a way that my appointment will not lead to your disappointment.

I want to thank the Minister of Education and Sciences for approving the appointment.

Dear Rector and Colleagues of the Institute of Social Studies,

An advantage of delivering an Inaugural Address somewhat belatedly is that it may have become unnecessary to talk about "the hope of good and pleasant co-operation". The new faculty member already may have given up all hope in this respect, or he may have experienced what initially he could only hope for. The latter is, fortunately, my case. I know that forecasts can be erroneous, but I am confident that the future will bring similar positive experiences.

Directors and Staff Members of the Netherlands Economic Institute,

For almost fifteen years I was associated with the Institute in Rotterdam. Fifteen years is, after all, a fairly long period of time in a man's life. The years I spent at the Institute have left their traces – perhaps in more than one sense, but anyhow in my approach to economics. I want to thank all of you, first of all for your friendship, and also for the wonderful opportunity to learn together, through our work, to marry theory and practice in economic research.

I have to mention one of you by name: Dr. Jan Tinbergen, whose absence this afternoon is much regretted. For ten years I had the privilege of close cooperation with this exceptional man. These ten years were my "Development Decade". Thanks to the stimulating intellectual and human contact with Tinbergen, the latter development decade apparently ended successfully. Leaving the Institute at Rotterdam, and leaving Tinbergen and his group of people, has not been an easy thing for me to do. I know that ties of friendship and of affinity in academic interests will be maintained.

Course participants, students at the Institute of Social Studies,

When I was a young boy in the City of Rotterdam, and roamed along the waterside and the docks, guess what I wanted to be. Of

course, a sailor. I am sure I do not look like a sailor now, except perhaps for my cap. But after all, I do not mind too much that the dream of my boyhood did not come true. Others may have other dreams, which sometimes always remain dreams. I also know of people that dream about a house to live in, that dream about enough food to eat and about some clothing, about a job to earn some money, about medical care and education for their children, about a radio perhaps, and about all other things that man can enjoy and that often are missed so badly – in one word, people that dream of a life that is worth to be lived. Let us make the greatest possible efforts, both during the period of study at the Institute and when you are back again in your home country, to contribute to the building of a society in which for everybody these dreams can come true.

Thank you.

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