

BOOK REVIEWS

JAN TINBERGEN, *Shaping the World Economy: Suggestions for an International Economic Policy*, New York, Twentieth Century Fund, 1962, xviii+330 p.

This book owes its origin to the Twentieth Century Fund, who requested Jan Tinbergen and his collaborators of the Netherlands Economic Institute to investigate "what the nations of the West could do to concert their economies and to work out new relationships with the economically less-developed parts of the world." Most of the text was written by Tinbergen himself. In addition to the text, there are seven appendices written by his collaborators. Incidentally, the book was translated into Japanese by Dr. Saburō Ōkita in 1963.

Part I of the book is entitled: "The World and the West: A Survey of Today's Tensions," and enumerates the characteristics of the world today as (1) the emergence of the Communist Bloc, (2) the coexistence of developed and developing countries, (3) the collapse of colonialism, and (4) the tendency of some groups of countries towards integration. The central theme of the book is that of the development of underdeveloped countries, and at first the reasons for the increasing gap between the developed and underdeveloped countries are sought. There are "two doctors," i.e., the Western developed countries and the U.S.S.R., both of which give advice on economic development, and which compete in giving aid to underdeveloped countries. On the other hand, the developed countries carry on a "crusade against protectionism" through GATT, and at the same time form such integrated blocs as the EEC. And yet there still remain trade barriers, and the actual trade between countries is smaller than the calculated "theoretical" trade. In order to stabilize fluctuations, especially the price fluctuations of primary products, many commodity agreements have been signed.

After this description of Today's World Economy, Part II tries to suggest policies for Tomorrow's World Economy. He maintains that it is necessary for the economy of the world of the future to have far wider aims than it has now. This means the formation of an economic order based on a unified world. For this purpose, it will be necessary to strengthen the United Nations, and global policies must be planned and administered by its specialized agencies. For its security, a world military force must also be established.

According to Tinbergen, international economic policies should be ones that conform with the principles of solidarity and efficiency, and the major objects of these policies would be: international development investment aiming at balanced growth and optimum division of labour, freer trade based on far-sighted trade policies, and promotion of regional integration and commodity agreements based on the ideal of one world. As to international

monetary and financial systems, Tinbergen suggests that a world treasury and central world bank should be established, and for the latter he agrees with Triffin's proposal.

As may be seen above, the book proposes a world economic policy aimed at overcoming the political tension between the East and the West and the economic unbalance between the South and the North into a new unified world order. We must pay deep respect to the writer's magnificent vision which tries to eliminate the contradictions and conflicts with an ideal of "one world." The book is bound to become a useful guide for the United Nation's Economic and Social Council.

However, even though the book suggests these very admirable ideals, it leaves much to be desired, for it does not clearly specify the process of how we can approach these ideals, nor how these ideals may be attained. The author lays stress on the conflicts between the free countries and the Communist bloc, the competition between these two blocs in giving aids to underdeveloped countries and the dangers of nuclear war, but does not give his thoughts on how these may be resolved into one world under system of the United Nations. Merely pointing at the fact that the economic systems of these blocs show signs of converging is not quite the same as presenting a sufficiently convincing argument for a unified world order. There must be a clear perspective indication that there will be a disarmament treaty concluded between the two camps and a political rapprochement taking place.

As to trade, Tinbergen suggests that the developed countries, especially EEC members, should promote the exports of underdeveloped countries by lowering tariffs on primary products and cotton goods, and this is in conformity with the wish of the underdeveloped countries. The author takes a very realistic and moderate line for the abolition of import controls and lowering tariffs on such primary products as sugar and such industrial goods as cotton, which might bring about decreases in the production and employment in the Western countries. But he has no clear-cut solution to the difficult problems posed by the developed countries' protective policies towards their own agriculture at the expense of less-developed countries, or how the industrial structure of developed nations should be modified to accept the industrial products of the underdeveloped countries.

If this book had been written after an agreement had been reached on the prohibition of nuclear tests, it would have been a more brilliant one. In the present world political climate a disarmament treaty between the two blocs may be signed even though it might be only a partial one. If disarmament became a fact, then the developed countries would be in a position to be able to give more aid to underdeveloped countries, and multilateral treaties for extensive investment to help development of these countries would be possible. When such changes take place in the world environment, then Tinbergen's *one world* will possibly bring this ideal nearer to reality.

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