

Fritz Machlup and Oskar Morgenstern devote most of their comments to Tinbergen's paper, finding its emphasis on optimization of social welfare and on transfer payments as a means of effecting such optimization especially intriguing and challenging, but mounting a most vigorous challenge to Tinbergen's theme. They concentrate mainly on the difficulties of defining and measuring social welfare, as well as on the unlikelihood of success in effecting profound redistribution of income without fundamentally adverse effects on work incentives and creativity. These divergencies of perception and of opinion make for a most stimulating book.

JAN TINBERGEN is Professor of Development Planning at the Netherlands School of Economics. He is Chairman of the Board of the UN Research Institute for Social Development. He received the Erasmus Prize in 1967 and shared the Nobel Prize in Economics in 1969.

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**OPTIMUM SOCIAL WELFARE  
AND PRODUCTIVITY:  
A Comparative View**

**Jan Tinbergen, Abram Bergson,  
Fritz Machlup and  
Oskar Morgenstern**

Jan Tinbergen addresses the question: What system of economic institutions could produce optimum social welfare? The question is obviously as important as it is complex and difficult, but he observes that it is an imperative one for the future wellbeing of mankind. In defining optimum welfare, he considers the psychological state of mind to be of major importance. In effect, he seeks a system which could achieve the highest average psychological sense of wellbeing in society. While it is presently beyond our capacity to measure such things accurately, he feels it can be done in perhaps 20 or 30 years. Along with knowledge of the "sense of well-being" of individuals, it will be possible to effect, through such means as lump-sum taxes, income transfer arrangements which would raise the average welfare and avoid undue inhibition of incentives to work and creativity.

Abram Bergson attempts a comparative analysis of productive efficiencies in several Western (capitalistic) economies and the Soviet Union to assay whether such differences could be traceable to variations in the nations' socio-economic institutions. He concludes that the Soviet Union's record is not so bad as its detractors would have us believe, and the "capitalistic" nations are not so good as their protagonists claim. However, the latter (specifically the U.S.) do have a continuing and significant edge in productive efficiency.

*(Continued on back flap)*