Economist Surveys Cooperation Plans

By JARED HAZLETON

Dr. Fritz Machlup, Professor of Economics at Princeton University, Thursday night delivered the fifth in a series of public lectures sponsored by the Economics Department. Dr. Machlup spoke on the topic, “International Economic Cooperation.”

Professor Machlup devoted the first part of his lecture to a survey of the various governmental agencies which have been established to promote international economic cooperation of one form or another.

DR. MACHLUP declared that “many international cooperative agencies serve the purpose of alleviating the problems caused by international non-cooperation.” He cited trade barriers, international payments restrictions, and restrictions on the movements of persons as forms of international economic non-cooperation.

Two examples of economic non-cooperation given by Professor Machlup were the U.S. restriction of immigration to a quota of less than one tenth of one percent of her population per year, and the trade barrier being erected by the European Common Market which restricts the movement of goods into the Common Market Countries.

The primary form of international cooperation dealt with by Dr. Machlup was the effort being made by various nations to help the U.S. out of its balance of payments difficulties.

IN ADDITION, Dr. Machlup stressed the cooperation of foreign countries in adopting proposals recommended by the U.S. Treasury Department. He cited three possible forms of cooperation which have been put forth. The first, that foreign countries permit some inflation or appreciation of their currencies, has been undertaken. The second, that foreign countries expand their domestic credit, has also been accomplished. The third provision, that foreign countries make more long-term loans to underdeveloped countries, was questioned by Dr. Machlup.

If this proposal is put in the form of demanding that foreign countries make long term loans simply because their holdings of U.S. dollar balances have increased, Dr. Machlup cautioned that the proposal is ridiculous. “Loans are made out of wealth, not out of cash balances.”