

Irving S. Friedman, *Inflation: A World-Wide Disaster*, Boston, Houghton Mifflin Company, 1973.

Dr. Irving Friedman, Professor in Residence at the Economic Development Institute of the World Bank, has written a remarkably lucid book that might revolutionize the readers' thinking and the understanding of the persistent and world-wide problem of inflation. The author analyzes the subject from a global perspective drawing from his many years of experience throughout the world. The author examines in a simple and nontechnical manner how the numerous demands and expectations of modern societies have surpassed their ability to produce the desired goods and services and have created various imbalances in the economic, social and political life of every nation.

The underlying causes of inflation, according to the author, are attributed to the following factors. First, since World War II the actions of the governments of the various countries have reflected the determination to preclude a return to the conditions of the 1930's of high unemployment and stagnation. The acceptance of responsibilities by the various governments to maintain high employment levels has led them to pursue expansionary monetary and fiscal policies. Second, this dramatic change in the government's small role in the prewar era to a larger and more significant role in the economic life, in the postwar era, was initially supported both by the emergence of an altered institutional structure of big business and labor and the emergence of the Keynesian economics. The changing institutional and economic environment in the postwar era supported the role of governments as the economy's major investor ready to use large amounts of resources to realize its large commitments. Third, throughout the postwar period high pressure was exercised by the powerful labor unions pushing for higher wages and the powerful business groups pushing for higher profits. Fourth, the postwar trends of the increasing world-wide expectations for material well-being, the changing pattern of consumption exploited by the development of mass advertising and the increasing cold war tensions that led many countries to undertake massive armaments expenditures have greatly intensified the postwar inflationary pressure. Finally, the emergence of an unexpectedly large number of new nations that required the assistance of the former mother countries to realize the new leaderships' commitment to accelerated socioeconomic advancement has intensified inflation even more. All of the above postwar trends stimulated a world-wide demand for goods and services that has steadily surpassed world supply.

The author analyzes how the signs and effects of persistent inflation are manifested in the economic, social and political systems of the various countries as well as in the international economy. He calls for a comprehensive strategy designed to eliminate inflation and inflationary expectations. This fight against inflation must start with the reconsideration of the phenomenon of inflation not as a temporary but as a persistent world-wide reality. According to the author, the objectives of full employment and of every socioeconomic advancement can be achieved only in a non-inflationary environment and only if the governments of the various countries undertake some changes in the priorities and practices in such a way as to balance supply and demand. The elimination of bottlenecks that prevents the achievement of certain objectives requires selective demand management. The author puts little faith in wage-price controls which he believes can only stop temporarily the inflationary pressures by reducing only the rate of inflation while at the same time creating various imbalances. The present U.S. experience verifies this point.

The disastrous effects of persistent inflation that the author analyzes in the book have had severe repercussions in the international monetary system today. A stable international

monetary system cannot be reconstructed in an environment of persistent world-wide inflation. The author has precisely and deeply analysed the problem pinpointing in a clear manner the roots of world-wide inflation. It is perhaps for the first time in the history of economics that the subject of inflation has been given a highly satisfactory treatment. The question arises, however, as to whether the rearrangement of priorities and practices needed to achieve the desired objectives can be affected without any costs.

A book highly recommended for the economist. It is a real service to the public policy makers, yet it is simple enough for the general public to read and comprehend.

I.B.R.D

KANELLA VASILIADES

Charles F. Delzell (ed.), *Mediterranean Fascism, 1919-1945*, New York, Harper & Row, 1970, pp. 364.

This work is a collection of speeches and documents which surveys the evolution of fascism in the Mediterranean region. Drawing upon newspaper reports, official gazettes, and archival materials, the editor, a noted student of recent Italian history, attempts to lead the reader «through the shifting and often far from crystalline currents of Mediterranean fascism».

Within the narrow framework characteristic of every work of this type, the editor's endeavor is successful. He has brought together an array of primary material that illuminates the formalistic structure of right-wing radicalism in the region. The examination of Italy is especially detailed with documentary material on social and economic policies in addition to political affairs. Of special interest are several documents detailing the nature of Italian racial policy in the late thirties. Fascist organization in Spain is treated more briefly while the rightist regime in Portugal is represented by only three documents. While most of the documents have appeared in other publications, many have been translated by the editor and are appearing in English for the first time. In addition to the official material, the editor provides a brief introduction to each chapter in an attempt to provide historical background.

This work will provide little new information for the specialist and its narrow focus weakens its utility as an introduction to fascism. Despite the brief commentaries, there is little attempt to place Mediterranean fascism within the context of political and social developments in Europe or to relate the particular experiences of Italy, Spain, and Portugal to the more general phenomena of authoritarian movements in the interwar years. At most this work can serve as a supplement to a more detailed study of fascism.

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DAVID J. ALVAREZ

Louis O'Kney, *What Price Freedom?* New York, Vintage Press, 1972, pp. 124.

The *What Price Freedom* is an excellent account in fictionalized form about the political complexities and internal upheavals which beset the small nation of Slovenia in Yugoslavia during World War II, when that country was occupied by fascists and Nazis and was torn apart from within by nationalists, communists and other political groups and factions. This is by no means a history of Slovenia during the war years. And yet the events which occurred in that country were similar to those of almost every East European nation during