

Samuel Brittan on Economic Freedom

DECADES of official propaganda have tried to make Britain's citizens believe that the balance of payments was the nation's most deep-seated problem, and that they were personally responsible for solving it. Samuel Brittan argues in *The Price of Economic Freedom** that this was a high-level confidence trick, and that the problem was artificially created by pegging the sterling exchange rate. The years of passing round the international begging-bowl, the

political humiliations, the travel restrictions and the distortion of every aspect of our national life by the supposed need to earn and save foreign exchange were all unnecessary. But they could easily occur again unless we cease to regard the sterling exchange rate as a prestige symbol and treat it instead as a price, which like other prices needs to change over the years.

Mr. Brittan devotes a large part of the book to discussing in question-and-answer form the worries of

politicians and businessmen about what life would be like under freer exchange rates. He covers both freely floating rates and compromise forms of flexibility in the context of actual discussions now going on in the IMF, the Common Market and elsewhere, with many historical examples.

The book is also a guide to the puzzles which many people have about trade figures, balance of payments, gold reserves and similar subjects.

*Macmillan 40s.