

# WHAT OTHERS ARE SAYING

## Disposing of the Public Domain

The Gargoyle, New Jersey, U.S.

**A** FIGHT over Alaskan land is developing which is reminiscent of the fight over the land in continental United States in the 19th century.

At the time Alaska became a state in 1959, almost all of Alaska was owned by the federal government. Apparently something was learned from the terrible treatment which the white man gave the Indians in the last century for in 1971 a Native Claims Settlement Act was passed by Congress. This act granted to Eskimos, Aleuts and Indians forty million acres of land. It also directed the Secretary of the Interior to withdraw from the public domain eighty million acres for possible inclusion in four different systems, national parks, national forests, wildlife refuges, and wild and scenic rivers.

It is this eighty million acres over which a fight is being waged. On the one hand are the environmentalists while on the other are mining and oil interests. The environmentalists want this land "locked up", that is, left alone. The commercial interests want an opportunity to explore it as they believe it contains vast resources.

A commission was set up to conduct hearings, and make recommendations. It decided that half the eighty million acres should be protected from unrestricted development. Exploration would be permitted on all but eighteen million acres. The interesting thing is that all mining would be permitted only on a lease basis. This is what should be done but apparently mining interests don't like that so it appears a fight will develop over that. Congress will make the decision.

While no doubt there is much to be desired about the way the land is to be apportioned, at least, it is a tremendous improvement over the way it was done in the U.S. in the 19th Century.

## Powder Laid and Fuse Lit

Alan Walters *Financial Times*, Dec. 31

**M**Y BEST GUESS of the rate of inflation in 1974 is near to 14 per cent — partly because I think that the rate of growth will in fact be virtually zero, and partly because of a quicker public reaction to the money supply boom of 1972-73.

The present parlous state of the economy may be

traced to a fundamental but little-noticed change that took place in September-October, 1971. Before that date the money supply ( $M_2$ ) had been expanding at rather less than 10 per cent per annum; after that date it began to grow at more than 20 per cent per annum until, in 1973, it seemed to be racing ahead at 28 per cent. Our study of the monetary history of many countries tells us what the consequences are likely to be. . . .

Virtually nothing however, can now be done to stop the coming inflation. The powder has been laid and the fuse lit: all one can do is to run and take cover. Stage Three and perhaps Stages Four and Five, will merely distort the impact of the explosion: they will not reduce its power. . . .

In a moderately free society, incomes-prices policies never reduce the ultimate rate of inflation, although they may delay some of its effects for a short time. Such delays are bad since they create illusions and false hopes and simply store up the inflationary pressure or shift it elsewhere. If an incomes policy works, it is bad; if it doesn't work, it is useless. Such a judgement is that of a professional economist. I would not deny that such policies have great political appeal. They enable governments to blame trades unions, greedy businessmen "property speculators" and foreigners for their own sins.



The first overriding aim in 1974 should be to reduce government spending so that the public sector deficit does not have to be financed by massive increases in the money supply (or by borrowing from foreigners).

The aim should be to reduce the rate of growth of the money supply ( $M_2$ ) from its present rate of more than 25 per cent, to about 12 to 15 per cent by December, 1974. The second objective of policy should be to permit the price system freely to perform its function of allocating resources. A dramatic U-turn on Stage Three would set policy on the best course. . . .

If the Government pursues the existing course of combining accelerated inflation with extensive controls, regulation and ultimately rationing, then the consequences both for our material standard of living and for the level of employment will be severe. It will be not merely our material standards that are threatened, but the whole fabric of freedom and decency which characterise our life in this country.