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Montana economist says private ownership of resources promotes good management

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MONTANA ECONOMIST SAYS PRIVATE OWNERSHIP
OF RESOURCES PROMOTES GOOD MANAGEMENT

MISSOULA--

"If we want thoughtful stewardship of our land and other natural resources, we should move many more of those resources out of the public sector and into private ownership," according to an article published by the University of Montana Bureau of Business and Economic Research.

Richard C. Stroup, professor of economics and co-director of the Center for Political Economy and Natural Resources at Montana State University, discussed the operation of the market system, especially in regard to natural resources, in the spring issue of the Montana Business Quarterly. The article was presented as a speech earlier this year at a series of economic seminars sponsored by the bureau.

Stroup said that as long as an asset is privately owned and freely tradeable, the owner's wealth "is a hostage of responsible management." Whether a person owns a house or a prairie, according to Stroup, that owner has every incentive to manage the asset responsibly because with good management, the asset will be worth more in the future. The same principle can apply to western resources, Stroup said.

Animals that are owned by someone seldom face extinction, he said. Land that is currently mismanaged will have more value to a different owner who is a better manager. And energy that can be sold on a free market is seldom wasted, he said.

(over)

MONTANA ECONOMIST--add one

"A great many resource management decisions which could be made efficiently in the market are made politically instead," Stroup said. He suggested that by moving more natural resources into the private sector, "both economic efficiency and ecological responsibility will be better served."

Copies of the spring issue of the Montana Business Quarterly are available for \$3 from the Bureau of Business and Economic Research, University of Montana, Missoula, 59812.

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