

COMMENTARY

MSU pioneer in free market moving on

Bozeman should thank Rick Stroup, a longtime resident and retiring head of the Ag-Econ & Econ Department at MSU. Rick has contributed much to our community. With his forthcoming move to North Carolina State University, an era ends.

In the 1970s a small group of scholars at MSU developed the principles and policies that became known as free market environmentalism (FME). Rick was present at the inception, along with John



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Baden, Terry Anderson, and PJ Hill. Bozeman was the vanguard of this movement and Rick's departure terminates its identity with MSU. How did this movement start? What has it accomplished?

In 1971 Milton Friedman spoke at the University of Montana. This closely followed the Bolle Report's scathing indictment of the U.S.

Forest Service's timber management on the Bitterroot National Forest. When asked about reforms, Friedman advocated selling the national forests. Rick attended with John Baden, who debated Friedman. Driving home, John and Rick discussed possible solutions to federal land management problems. The exchange with Friedman generated an article in the prestigious *Journal of Law and Economics*. It marks the birth of FME.

The nascent movement gained stature in 1978 when Rick and John founded the Center for Political Economy and Natural Resources at MSU. There, Rick and the others wrote and published numerous reports challenging the Progressive Era's paradigm that emphasized centralized bureaucratic management. These detailed the failings of federal land management agencies — the Forest Service, Bureau of Land Management, Bureau of Reclamation, etc. Rejecting this top-down approach, FME advocates identified reforms to reduce the environmentally destructive, economically wasteful practices that characterized federal management. Philosophically, they aimed to identify policies that generated incentives for achieving environmental goals.

Here's their logic: If resource managers are to respond to increased public demands for

environmental quality, the governing institutions must be changed; the goal is to align the self-interest of resource managers with society's interest. FME applied public choice and property rights theories to natural resource issues and explained how market forces and nonprofit environmental entrepreneurs harmonize ecology with liberty.

Rick and his colleagues criticized government subsidies that encouraged preferential industrial access to, and exploitation of, federally owned lands, waters, and wildlife. Their work drew the ire of powerful extractive industries and politicians beholden to them. Eventually, direct pressure from Governor Ted Schwinden drove the Center off campus, and it became the Political Economy Research Center, recently renamed to Property and Environment Research Center (PERC).

In addition to writing scholarly papers and books, these intellectual entrepreneurs brought nationally renowned scholars, journalists, and other influential opinion leaders to Bozeman. They possessed an unusual talent for selecting guests: four of their regular visitors went on to win Nobel Prizes. This outreach paid dividends decades later when FME became "mainstream" and gained international recognition. Rick made substantial contributions to this success.

Many of the early ideas put forth by FME have yet to be implemented, even when accepted in principle. Some already have: individual fishing quotas to protect and revive fisheries, trusts to manage federal lands, property rights for water markets, and park fees that stay with the park rather than go to the national treasury. (See www.perc.org for details.)

Extractive industries did not hold a monopoly on opposing FME. Traditional environmentalists continue to be skeptical of, and often hostile to, FME. A values gulf between FME and traditional environmentalists underscored the differences. Many Greens blamed Enlightenment values — material progress and humankind's mastery of nature — for the destruction of the environment. Meanwhile, FME advocated Enlightenment values — property rights, free markets, self-interest, and individual freedom — as offering solutions to environmental problems. Debates raged, with FME typically on the outside, always trying to influence the thinking of opinion leaders.

Rick also joined a larger global debate when elected a member of the prestigious Mont Pèlerin Society. MPS members played a significant role in the spread of economic freedom at the close of the 20th century. All four of the FME founders became members of MPS, making Bozeman the city with the highest concentration of members in the world.

Rick Stroup brought acclaim to MSU and helped build an environmentalism based on responsible liberty. Fortunately, the institution he helped found continues this legacy. Thanks, Rick.

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