Natural Resource Economics

Topics and Readings


There is also a packet of readings at Kinkos (hereafter referred to as packet A) which includes some journal articles and some newspaper articles.

I. An Introduction to N R Economics
   1. Howe, chapters 1, 2, 3

II. An Introduction to Renewable Resources: Fishery Economics and the Common Property Problem
   2. Edney, J., "Free Riders En Route to Disaster," *Psychology Today*, August 1979, 80-87 & 102 (Packet A)
   4. Oyster article in the WSJ (Packet A).
   5. Scallop article in the CSMJ (Packet A).
   6. Article on Salmon in the WSJ (Packet A).
   7. Article on Deforestation in the CD. (Packet A).
   8. Howe, chapter 12.

III. Discounting and Present Value: A Mathematical Review
   1. Chiang, Fundamental Methods of Mathematical Economics, 2nd edition, chapter 10 (pp. 280-294 only) and chapter 13 (pp. 452-459 only), (Packet A).
   2. briefly look at Howe chapter 8.

IV. Welfare Economics
   1. My lecture notes on welfare economics (Packet A).
   2. Howe, chapter 8.
   4. Article on the local mill in the CD (Packet A).
   5. Article on White Rocks in the CD (Packet A).
   6. Article on Amateur Ecologists in the WSJ (Packet A).
   7. Article on Smoking in Business Week (Packet A).
V. Extinction
1. Review the readings from Section II.
2. Article on Swans in the WSJ (Packet A).

VI. Portfolio Theory as Applied to Fish, Trees, and Nonrenewable Resources
1. Lecture notes on portfolio theory (these notes need to be rewritten; if I get them rewritten before we start this section I'll make up a packet B for Kinkos).
2. Howe, chapter 11.
5. Current issue of the WSJ.

VII. Conservation
1. Howe, chapter 15.
2. Reread Herfindahl, "What is Conservation?"
5. Article on Indian Peaks in the DC (Packet A).
Gory Details

There will be three midterm exams (one at the end of the term) and a comprehensive final. The best three exam scores will each be 25% of your grade. (i.e., the worst grade will be dropped). I only give essay exams.

Review questions will be handed out before each midterm.

There will be a term paper (5-10 pages) which will be 25% of your grade. Choose some natural resource problem or environmental problem and evaluate it in economic terms. For example, choose a particular environmental market failure, explain why the market failed, and suggest policies for improving the situation. The intent of the paper is to get you to apply the economic theory that you have learned to a "real world" natural resource problem that you find interesting. Some interesting papers in the past have been on such topics as: "Do We Really Need Bighorn Sheep"; "The Economics of Whaling"; "The Economics of Outer Space"; "Recycling"; "The Love Canal"; "The Harp Seal Hunt"; "Geothermal Energy"; "Petroleum Regulation"; "Genetic Engineering"; "Severance Taxes"; "Coal"; "Lead"; "Wilderness Management"; etc. (I have a file of some of the old papers in my office). (1st) Discuss your topic with me; (2nd) Turn in your paper and have it corrected and commented on, and (3rd) Rewrite the paper. The final version will be due by 5:00 p.m. Nov. 30th.

I grade on the following scale

- > 80% = A
- > 70% = B
- > 60% = C
- > 50% = D
- < 49% = F

Knowledge of the review questions will be very helpful when taking the exam.

My office hours will be on Wednesdays from 10:00 - 11:30 and from 3:00 - 5:00 or by appointment.

Prerequisites
Econ. 202 and Econ. 480/580 (or permission of the instructor). Econ. 407 would be helpful.