

Tribute to Anthony Scott on the Fiftieth Anniversary of  
the Publication of his JPE Article:  
“The Fishery: The Objectives of Sole Ownership”

It is a great pleasure for me to be called upon to pay tribute to Tony, on the occasion of the 50<sup>th</sup> anniversary of the publication of his famous JPE article on fisheries. Tony and I were co-authors some 20 years ago of a survey paper on fisheries economics, appearing in one of the North-Holland Handbook series. We have been professional colleagues for over forty years. Before that, Tony was one of my undergraduate professors. I can't help remembering that, when Tony's JPE article appeared in April, 1955, I was busy studying for my final exam in a demanding statistics course for economists, given by one Professor Anthony Scott.

Tony's article, “The Fishery: The Objectives of Sole Ownership”, was written in response to Scott Gordon's seminal article of one year earlier, in which Gordon contrasted a common property fishery, with the social optimum, which could, in turn, be achieved under sole ownership of the fishery. What Tony did was to demonstrate that the static analysis of the Gordon model was not really fully adequate to the problem at hand. Tony showed that, if the sole owner of the fishery was concerned only about the short run, the current period, or season, the sole owner outcome and the common property outcome (given Gordon's assumptions) would be the same. It is when the sole owner's time horizon extends out to future, and the sole owner has to be concerned about the impact this season's harvests upon future harvests, that the sole owner and common property outcomes will be very different. What Tony was, in essence, saying that the economics of fisheries should properly be dealt with in a capital theoretic

framework. Fishery resources should be seen as assets to be managed for the benefit of this, and of future generations.

In present day fisheries economics, we accept Tony's 1955 conclusions without question, as evidenced by the theme of this conference. So, we can argue that Tony's 1955 article provided the foundation for present day fisheries economics. It was, in fact, an article well ahead of its time.

I might add, in passing, that Gordon was not to dispute Tony's conclusions. To the contrary. In a paper published the following year, 1956, Gordon reiterated Tony's conclusions, in a particularly concise, lucid and forceful manner.

Tony's article did not, however, arise out of a vacuum. The year 2005, not only marks the fiftieth anniversary of the publication of Tony's JPE article, it marks, as well, the fiftieth anniversary of the publication of Tony's book, *Natural Resources: The Economics of Conservation*, which was based upon his Ph.D. thesis, and which was to be republished in 1972. I would claim (maybe Tony will contradict me) that the JPE article really arose out of this book.

The central theme of Tony's book is that natural resource economics, in *all* of its applications, renewable and non-renewable, is first and foremost an application of the economist's theory of capital and investment. While this is accepted by all natural resource economists today, it is not at all clear that this was universally accepted by economists fifty years ago.

Some articles of the period imply that Tony's key ideas were to be found clearly expressed in the book on resource economics, published by Siegfried Ciriacy-Wantrup, in the early 50s, a few years before Tony's book appeared. I disagree entirely. I tracked down Ciriacy-Wantrup's book in the UBC library .Seen from the perspective of 2005, Ciriacy-Wantrup's discussion of the capital theoretic nature of resource economics is a shambles, and is, in several places, wildly misleading. The contrast with Tony's book could not be more striking.

I would, therefore, assert that Tony's book was the first to place the whole of NR economics on clear capital-theoretic foundation.

Consequently, I would argue that, in honouring Tony today, we should do so, not just for his pioneering work in the economics of fisheries management, but for his pioneering work in natural resource economics, as a whole. As someone who has been concerned with capital theory and fisheries for quite a few years, I take pleasure in acknowledging publicly my own heavy professional debt to him