This book is about the valuation of nature. Its writer, Mark Sagoff, is a philosopher working at the Institute for Philosophy and Public Policy at the University of Maryland. His point of view is that beauty, spiritual value, and intrinsic value are what really matter about nature. Whales, for instance, should not be defended for their instrumental value (being a resource for whale oil), but for their aesthetic and moral worth. In its view of nature’s value, *Price, Principle and the Environment* is close to the eighteenth-century philosopher Immanuel Kant.

*Price, Principle and the Environment* contains statements that reflect technological optimism, such as the following: “We can confidently expect that technology will continue to advance exponentially — so that future generations ... will look back on our lives with pity, as we look back on the miseries of, say, the thirteenth century.” In this technological optimism, Sagoff is remarkably similar to the nineteenth-century social philosopher Karl Marx. Sagoff is also optimistic regarding the pricing mechanism. According to him, this mechanism will “assure the relative abundance of natural resources.” In this respect, he is close to many current neoclassical economists.

*Price, Principle and the Environment* however rejects economic valuations based on the willingness to pay for nature or the monetization of economic services. Economists are severely taken to task for their work in these fields. And Sagoff objects against “the penchant of environmentalists to invoke the vocabulary of instrumental value,” which he considers “pretextual.” Balancing the interests of those who have a negative impact on nature and the defenders of nature should in his view not be based on economic valuation but on political deliberations and negotiated settlements between stakeholders. As to pollution, he subscribes to the tradition of libertarianism that would protect people from involuntary risks and harms.

It may be noted, though, that in defending his views, Sagoff is not fully consistent. As to the incorrectness of using the instrumental value, he states on page 17: “Much is written about nature’s free services. Yet we have come to depend increasingly on the productive capacity of technology and decreasingly on nature’s free and spontaneous largess. Indeed, nature tends to specialize in disservices as much as service.” Op page 26, he writes: “nature is a place where you cannot get good service.” Yet on page 145, he subscribes to “the truism that we cannot live without nature.” Though Sagoff objects to the immorality of involuntary risks and harms to third parties, he is also in favor of emissions trading, an economic instrument, in spite of the fact that in practice the caps to such trading allow for considerable involuntary risks and harms. And Sagoff’s technically optimistic statement quoted above is not consistent with a remark on page 26 that the debate about whether technology will always find a way to substitute more for less plentiful resource flows to provide the same goods “remains unresolved.”

These curious features of Sagoff’s arguments should not detract from the point that *Price, Principle and the Environment* rightly highlights the question of whether economics takes sufficient account of the world and whether economists are aware of its limits. In the nineteenth century, mainstream economics was a relatively modest branch of science. The nineteenth-century economist J. S. Mill shared Sagoff’s view that the beauty of nature was what mattered. In those days also a call was heard for a scientific psychology to underpin an economic theory of behavior. And important nineteenth-century economists felt that the natural world limited economic growth and that the study of the limits involved was a matter for natural science. In mainstream neoclassical economics such positions have been largely abandoned. One may well ask: is this abandonment correct?

As to this question, I will confine myself to the matter of limits posed by the natural world, a matter on which ecological economists differ from neoclassical ones. Abandoning such limits seems sensible to a consistent technological optimist, who believes that pricing mechanisms will always assure the relative abundance of natural resources. However, mankind truly cannot live without nature, and the natural world does indeed impose limits. And looking at the present, one may note that the 2005 Millennium Ecosystem Assessment links