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Review of *Natural Resource and Environmental Economics* by Tony Prato

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Natural Resource and Environmental Economics. Tony Prato. Ames: Iowa State University Press, 1998. xiii+344 pp. Figures, tables, notes, references, index. \$49.95 cloth (ISBN 0-8138-2938-0).

This upper-division or beginning graduate-level text addresses the economics of a broad range of natural resource and environmental issues in a style suitable for a wide range of students interested in natural resource policy. Economics students will find the subject matter a bit easier to grasp than biologists, engineers, or political scientists, but it should pose no problem for anyone who has taken a course in micro-economics and perhaps knows a bit of differential calculus.

The book's content and organization are somewhat different from most texts in resource economics. There is greater emphasis here on the economic concepts associated with all dimensions of natural resource management, but this comes at the expense of examples and a sufficient emphasis on the practical aspects of empirical analysis. There are also a few organizational anomalies that may be inconsistent with the way resource economics is often taught. The most notable is Prato's decision to treat property rights and market failure as a distinctly separate topic in chapter 5 rather than an integral part of the economic conceptual framework described in chapter 2.

Authored by an economist, the volume reads as though written by a biologist or ecologist who understood and appreciated the potential contributions of economics but remained a bit skeptical nonetheless. Prato's skepticism about economics and technology is most noticeable in his treatment of resource adequacy, sustainability, and conservation.

Conventional economic wisdom holds that a well designed market economy will respond in a timely manner to meet emerging needs. Resource adequacy or sustainability is not likely to be a problem: as scarcity develops

prices will rise, substitute inputs and outputs will be used, and the research and development community will be induced to find alternative products and technologies. Although Prato acknowledges that empirical evidence supports this position, he downplays the evidence and treats the conventional wisdom as one among a profusion of points of view with no more validity than other more pessimistic perspectives. Prato's pessimistic viewpoint is not without merit, but he takes his approach a bit further than would probably content most economists, as is clearly evident in his endorsement of the conservationist's claim that conservative assumptions regarding future technological innovation are consistent with a "no regrets public policy." This erroneously implies that conservation has no opportunity cost, whereas in reality conservation can be very costly, and society might well regret conserving a resource that in later years has little economic value because of changes in technology, tastes, preferences, or other factors.

In the past decade we have seen a virtual explosion in resource economics textbooks, reflecting a prior deficiency and a wide diversity in viewpoints regarding how the subject matter should be treated. Although not everyone will agree with Prato's view, his volume merits serious consideration. Teachers wishing to emphasize concepts presented without too much economic orthodoxy are likely to find it quite attractive. Those seeking greater emphasis on examples and empirical issues can easily supplement it from their experience and from the abundant literature in resource economics. **Raymond J. Supalla**, *Department of Agricultural Economics, University of Nebraska-Lincoln*.