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Sennholz, Hans

December 17, 1979

Professor Hans F. Sennholz
200 East Pine Street
Grove City, Pennsylvania 16127

Dear Hans:

Thanks for sharing the paper, "Do We Need Controls?" by the young man from Argentina. You didn't mention his name, but I expect he'll be in touch with us shortly.

His basic question, I believe, is whether risk and uncertainty is better covered by market negotiations or by government regulation and control. Or perhaps even more basic is the question of fixing responsibility or liability in case of injury or damage.

He's chosen market derived and regulated automobile liability insurance (versus government licensing and regulation of drivers) to prove the superiority of the market. But I'm doubtful that he's sufficiently answered the questions and reservations about this particular hazard that the basic principles could then be applied to other risks and hazards, such as plant safety cases or the hazards of going nuclear or whatever.

Anyway, I'll be happy to talk with him about this and do appreciate your sharing the article.

Sincerely,