

Note on Starr's analysis.

I would have said, for any economic activity:

value = $\frac{a}{b}$ expected return = monetary cost c + adjusted value d of incidental risk.

He seems to say that

$d \sim c$ which, as a general proposition, has no evident logical basis.

BUT

He probably is right to deny that $d \gg c$ in any situation where 1) d is allowed to fluctuate without evident impact on c ,

or 2) where the participants aver that d is negligible compared to c , which might be implied by finding that demand is quite elastic in response to c .

There remain the problems of

- 1) information and rational perception of d
- 2) thrill values -- linked to d
- 3) proper bounds for a defined activity over a domain where c and d may fluctuate widely (auto or gun safety, for example).
or knives.

(Do we lump all knives, or classify them by length and sharpness of blade.)

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