

# Formula free speech Free Speech and Economics

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POSNER, Richard A. Free Speech in an Economic Perspective. In: **Suffolk University Law Review**, v. XX, n. 1, spring, 1986. Available at: <[https://chicagounbound.uchicago.edu/cgi/viewcontent.cgi?article=2897&context=journal\\_articles](https://chicagounbound.uchicago.edu/cgi/viewcontent.cgi?article=2897&context=journal_articles)>. Date accessed: 05 Nov. 2018.

$$\underline{B < PL}$$

P = probability that the speech sought to be suppressed will do harm

L = social cost of the harm

$$\underline{B = V + E}$$

V = the social loss from suppressing valuable information (a function of the size of the actual and potential audience for the speech in question)

E = the legal-error costs incurred in trying to distinguish the information that society desires to suppress from valuable information.

To discount L to present value, to reflect the fact that the harm from allowing dangerous speech to continue may not be incurred for some years,  $L / (1 + i)^n$ , where n = the number of periods between the utterance of the speech and the resulting harm

i = an interest or discount rate which translates a future dollar of social cost into a present dollar

**LIBEX**

$$V + E < P \times L / (1 + i)^n$$

V	+	E	<	P	X	L	/	(1 + i)	n
V (the social loss from suppressing valuable information)	+	E = the legal-error costs incurred in trying to distinguish the information that society desires to suppress from valuable information.	<	P = probability that the speech sought to be suppressed will do harm	X	L = social cost of the harm	/	i = interest or discount rate which translates a future dollar of social cost into a present dollar	n = the number of periods between the utterance of the speech and the resulting harm