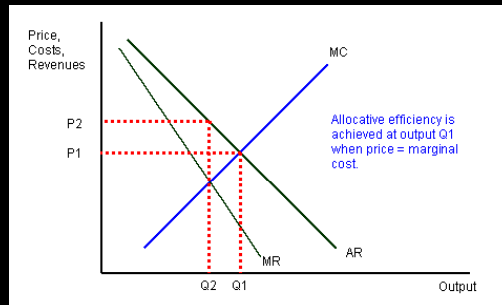


PHIL 420
Philosophy of
Law



Torts &
Law and
Economics

Distance
Delivery
Jeff Johnson

More on Coase

What he said
about his
work

But it matters a
lot to the
rancher and
framer

Doesn't matter
from a social
cost who gets
the right

Who should
get the right?

Law as Market Mimicker

Richard
Posner

Property
rules

Property
rights

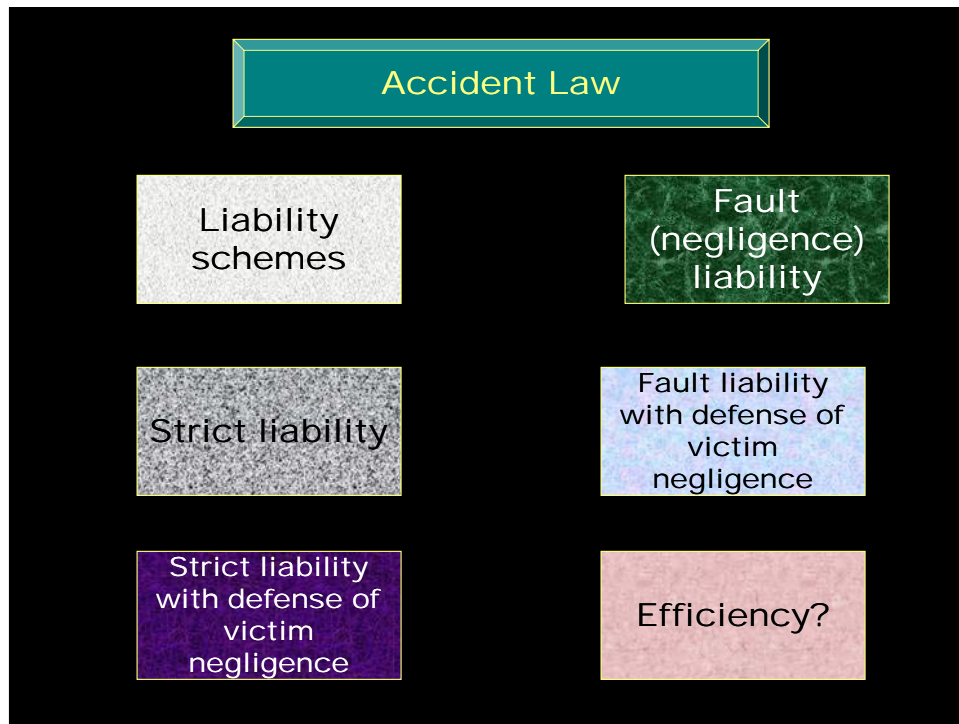
Liability rules

Mimic the
market!

Inalienability
rules

Nuisance

Output	Marginal Profit	Marginal Damage
25	200,000	10,000
50	100,000	20,000
75	75,000	30,000
100	50,000	40,000
125	30,000	50,000



Accident Law

Speeding Options for Smith	Benefits to Smith	Expected Damage	Joint Expected Gain
Fast	1,000	800	200
Moderately Fast	800	500	300
Moderate	600	200	400
Moderately Slow	400	200	200
Slow	200	50	150