

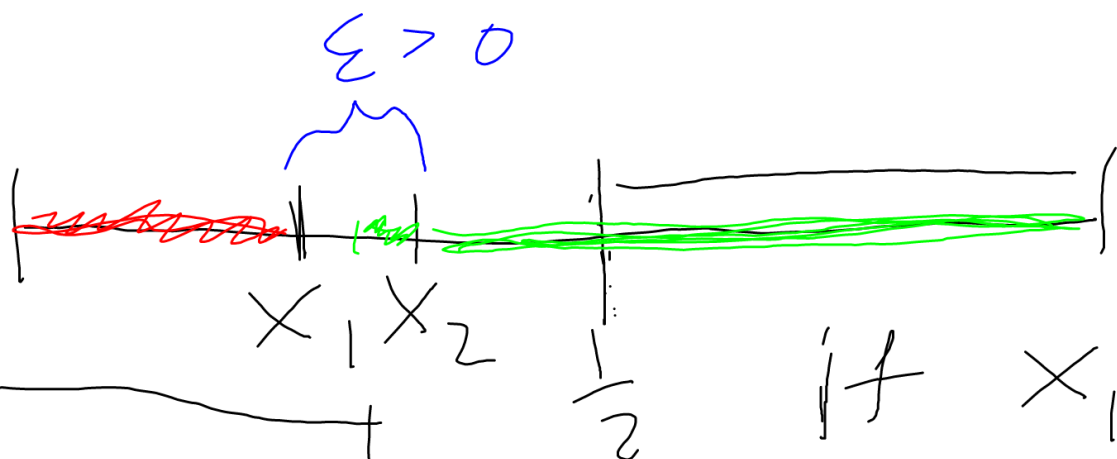


wlog

$$[x_2, x_1]$$

$$u_1(x_1, x_2) = x_1 + \frac{x_2 - x_1}{2}$$

$$u_2(x_1, x_2) = 1 - x_2 + \frac{x_2 - x_1}{2}$$



$$\text{if } x_1 = x_2$$

$$u_2(x_1, x_2) = \frac{1}{2}$$

Assume $x_2 > x_1$

$$x_2 = x_1 + \epsilon$$

$$u_2(x_1, x_2) = \frac{1}{2} + \frac{1}{2} - x_1 - \epsilon + \frac{\epsilon}{2}$$

$$= \frac{1}{2} + \left(\frac{1}{2} - x_1 - \frac{\epsilon}{2} \right)$$

> 0 for small $\epsilon > 0$

$$x_2 = \begin{cases} x_1 + \varepsilon & x_1 < \frac{1}{2} \\ x_1 - \varepsilon & x_1 > \frac{1}{2} \\ x_1 & x_1 = \frac{1}{2} \end{cases} //$$

same for x_1^*

$$(\tilde{x}_1, \tilde{x}_2) = \left(\frac{1}{2}, \frac{1}{2}\right)$$

