

Goods in millions,  $y$

Policy-maker's  
indifference curves

Abatement  
cost

$y_b$

$b$

$u_3$

$u_2$

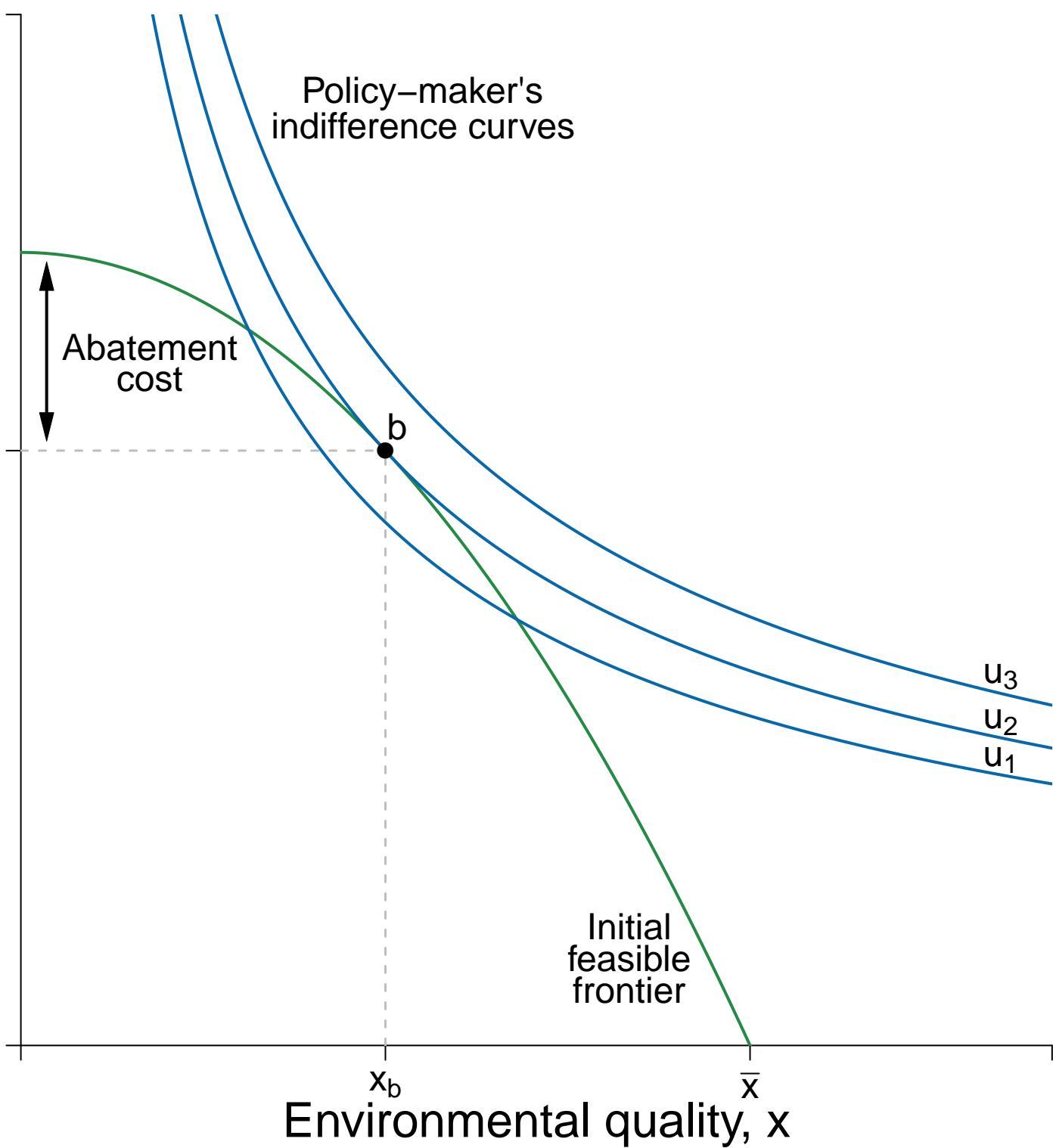
$u_1$

Initial  
feasible  
frontier

$x_b$

$\bar{x}$

Environmental quality,  $x$



Money left over,  $y$

