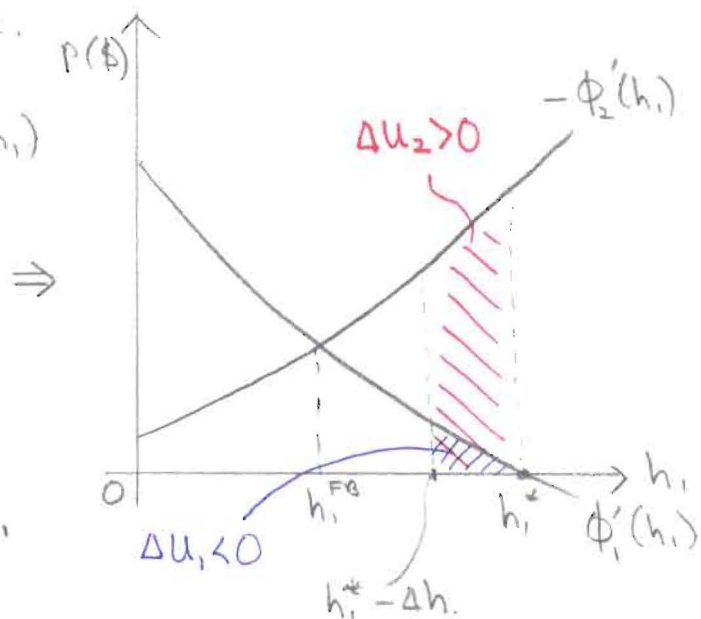


Figure 1



$|\Delta u_2| > |\Delta u_1| \therefore \text{Agent 2 can compensate Agent 1.}$

Figure 2

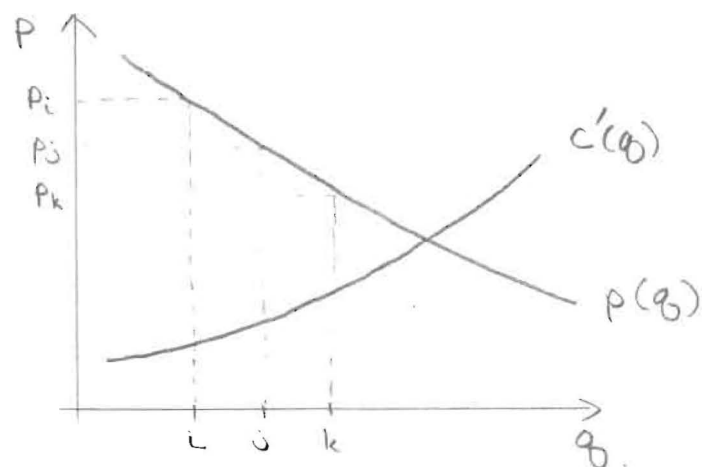


Figure 3

First Degree Price Discrimination.