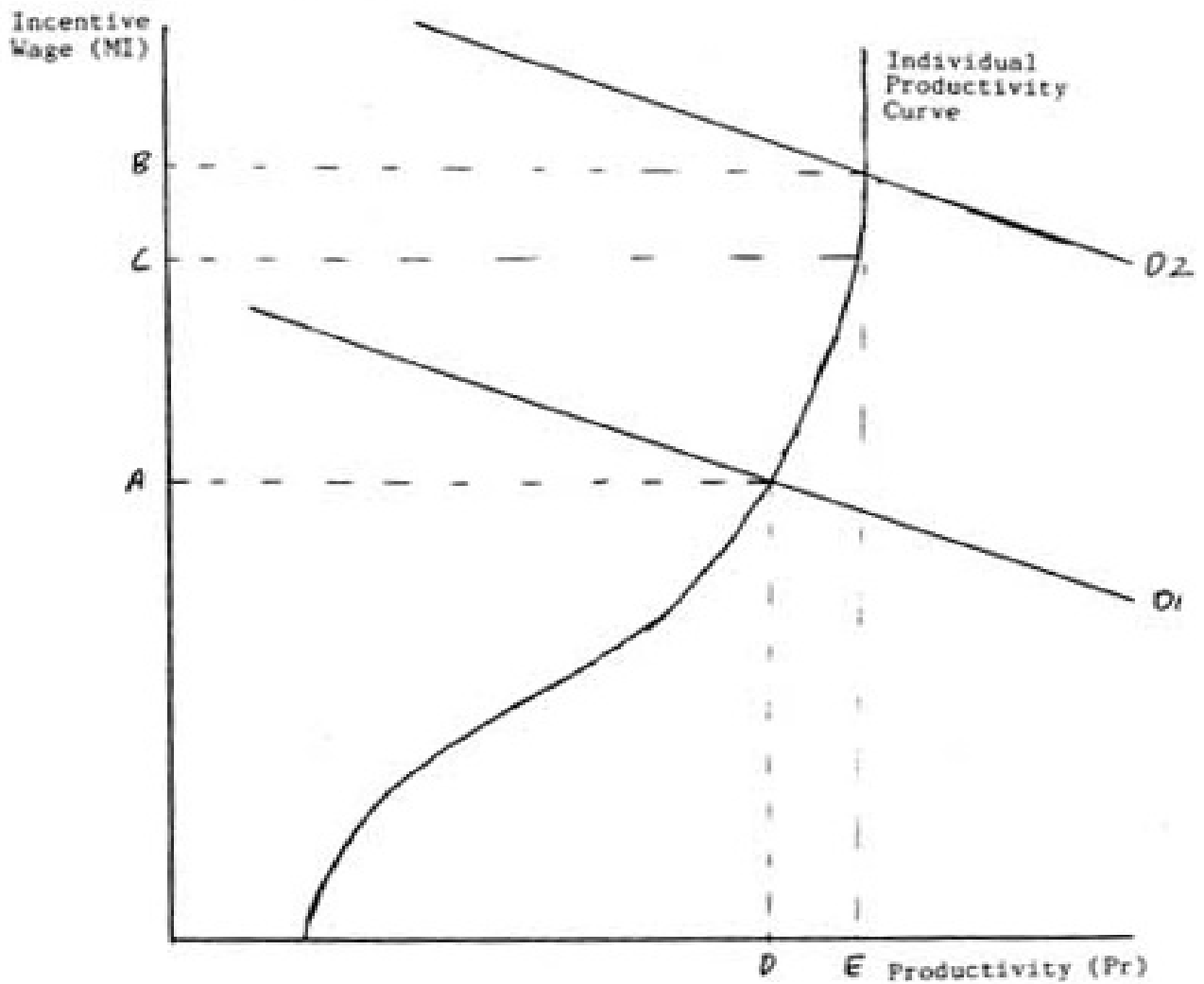


Figure II



Society may only demand productivity level D_1 and pay only A in incentive. However, it will not be rational for society to pay more than C under any circumstances.