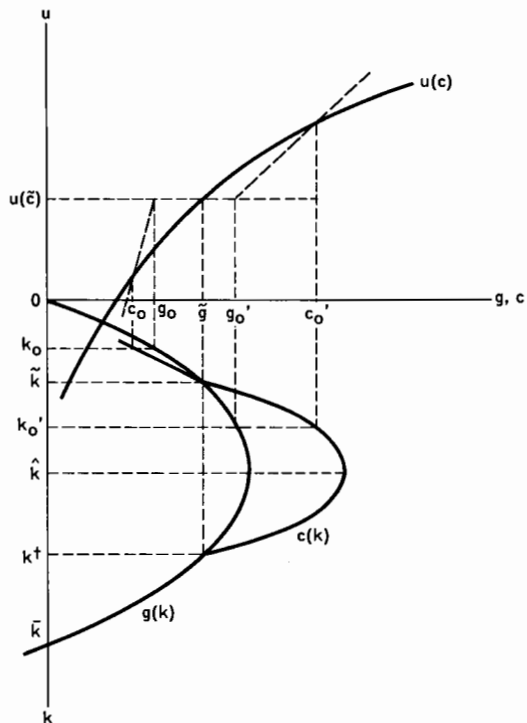


		B	
		1	2
A	1	I 2, 2	II 1, 1
	2	III 4, 3	IV 3, 4

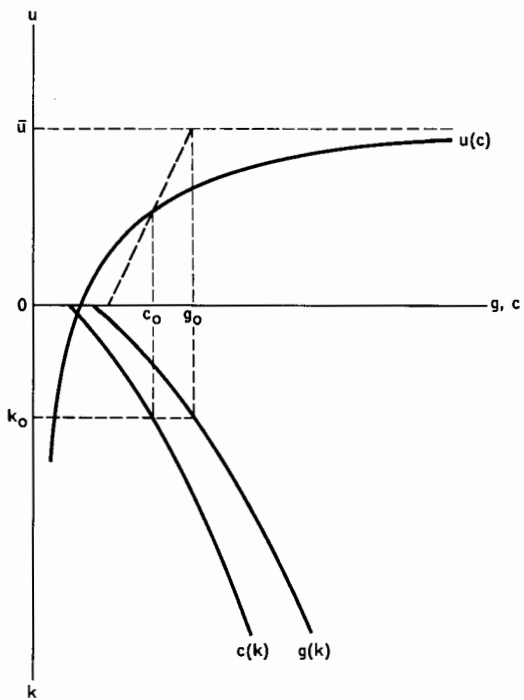
**Figure 1.**

		B	
		1	2
A	1	I 4, 2	II 1, 1
	2	III 2, 3	IV 3, 4

Figure 2.



**Figure 1. Unbounded Instantaneous Utility Rate and Bounded Sustainable Consumption Per Head.**



**Figure 2. Bounded Instantaneous Utility Rate and Unbounded Sustainable Consumption Per Head.**

	B	
	2, 2	1, 1
A	4, 3	3, 4

Figure 1

	B	
	4, 2	1, 1
A	2, 3	3, 4

Figure 2

	<u>Students</u>	
	Accept authority	Rebel
	I	II
Do not concede	2, (2)	1, (1)
<u>Official</u>		
	III	IV
Concede	4, (3)	3, (4)

Figure 3

	<u>Students</u>	
	Submit	Resist
	I	II
No compromise	(4), 3	(1), 1
<u>Official</u>		
	III	IV
Compromise	(3), 4	(2), 2

Figure 4

	B	
	2, 3	1, 1
A	4, 4	3, 2

Figure 5  
Limit case (1)

	B	
	4, 2	1, 1
A	3, 3	2, 4

Figure 6  
Limit case (2)

		Period					
		1	2	3	4	5	.
Individual	0	1	0	0	0	0	.
	1	1	1	0	0	0	.
	2	0	1	1	0	0	.
	3	0	0	1	1	0	.
	4	0	0	0	1	1	.
	.					.	.
	.						.

Figure 1. Endowment Matrix

		Period					
		1	2	3	4	5	.
Individual	0	2	0	0	0	0	.
	1	0	2	0	0	0	.
	2	0	0	2	0	0	.
	3	0	0	0	2	0	.
	.					.	
	.						.

Figure 2. Pareto Superior Allocation

**Table 1. Net Cost of Contributions Relative to Disposable Income, 1970. By Adjusted Gross Income Classes. Returns with Itemized Deductions Only. (Money Figures in Millions of Dollars)**

<i>Adjusted Gross Income Class</i>	<i>Itemizing Returns (M = x1,000)</i>	<i>Adjusted Gross Income</i>	<i>Net Long-term Capital Gains</i>	<i>Tax</i>	<i>Apparent Disposable Income</i>	<i>State and Local Income Taxes</i>	<i>Contributions</i>	<i>Avg. Marginal Tax Rate</i>	<i>Avg. Price of Philanthropy</i>	<i>Net Cost of Contributions</i>	<i>Ratio of Contributions to Disposable Income</i>	<i>Percent of Returns not Itemizing</i>	<i>Percent of Contributions made in Property</i>
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
.000— .005	4,444M	16,363	233	823	15,773	155	818	17.13	82.87	678	.0430	82.82	3.8
.005— .010	11,674M	88,983	539	7,659	81,863	1,118	2,740	19.65	80.35	2,202	.0269	47.66	3.4
.010— .015	10,571M	130,004	500	14,598	115,906	2,124	3,204	21.79	78.21	2,506	.0216	25.06	3.7
.015— .020	4,917M	84,053	431	11,399	73,085	1,636	2,000	24.78	75.22	1,504	.0206	11.23	3.7
.020— .025	1,785M	39,480	375	6,107	33,748	912	979	28.13	71.87	704	.0209	6.50	5.2
.025— .030	731M	19,840	343	3,388	16,795	549	502	31.93	68.07	342	.0203	4.92	5.2
.030— .050	806,392	32,974	878	6,838	27,014	1,049	881	39.43	60.57	534	.0197	3.47	8.7
.050— .100	345,059	22,731	1,140	6,513	17,358	1,875	748	52.02	47.98	359	.0207	1.69	19.1
.100— .200	61,818	8,073	945	2,968	6,050	374	396	61.13	38.87	154.0	.0255	1.04	37.6
.200— .500	12,751	3,601	896	1,521	2,976	193	278	65.88	34.12	94.8	.0319	.62	53.4
.500—1,000	1,747	1,172	447	526	1,093	62	131	64.41	35.59	46.6	.0426	.23	59.5
1.000—∞	642	1,419	647	634	1,432	55	215	64.28	35.72	76.8	.0357	.00	74.1

Source: U.S. Internal Revenue Service, Statistics of Income, 1970, part 1, Individual Income Tax Returns.

Col. 2: Page 108, Table 33, Col. 1.

Col. 3: Page 108, Table 33, Col. 2.

Col. 4: Page 114, Table 35, Col 23 — Col 25.

Col. 5: Page 108, Table 33, Col 7 plus Col 8.

Col. 6: (3) + (4) - (5).

Col. 7: Page 123, Table 38, Col. 10.

Col. 8: Page 120, Table 36, Col. 8.

Col. 9: Computed from table 52, pages 158-61, and table 55, pages 168-70, with adjustment for the surcharge specified on page 337.

Col. 10: 100 - Col. (9).

Col. 11: (8) × (10).

Col. 12: (11)/(6).

Col. 13: Page 131, Table 46, Col. 1 / Page 14, Table 4, Col. 1.

Col. 14: Page 127, Table 42, Col. 8/Col. 4.



**Table 2. Comparison of Contribution Levels for 1962 and 1964 By Adjusted Gross Income Classes above \$20,000**

<i>Adjusted Gross In- come Classes (\$1,000)</i>	<i>Taxable Returns with Itemized Deductions</i>													
	<i>Disposable Income (Millions of Dollars)</i>		<i>Gross Con- tributions</i>		<i>Price of Philan- thropy</i>		<i>Net Cost of Contri- butions</i>		<i>Percent of Disposable Income Contributed</i>		<i>Average Disposable Income (\$1,000)</i>		<i>Cumulative Number of Returns</i>	
	1962	1964	1962	1964	1962	1964	1962	1964	1962	1964	1962	1964	1962	1964
20— 50	19,850	26,552	806.4	987.5	.595	.650	480.2	641.9	2.42	2.42	21.1	24.5	1,089,192	1,248,681
50— 100	5,751	7,983	330.8	401.7	.410	.462	135.8	185.6	2.36	2.32	47.4	60.0	148,219	164,976
100— 500	3,351	4,760	320.8	392.8	.309	.397	99.0	155.9	2.95	3.28	129.8	156.4	26,967	31,879
500—1,000	552	746	56.4	72.9	.305	.374	17.2	27.3	3.12	3.66	686.	755.	1,146	1,433
1,000—∞	715	1,035	91.0	120.7	.287	.368	26.1	44.1	3.65	4.29	2091.	2326.	342	445
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)

**Source:** U.S. Internal Revenue Service, Statistics of Income, 1962 and 1964, Part 1, Individual Income Tax Returns.

Col. (2): 1962: P. 85, Table 14, col. 2 + p. 87, Table 15, col. 11 – p. 87, Table 15, col. 13 – p. 86, Table 14, col. 17.

Col. (3): 1964: P. 50, Table 15, col. 3 + p. 50, Table 15, col. 19 – p. 50, Table 15, col. 21 – p. 52, Table 15, col. 59.

Col. (4): 1962: P. 85, Table 14, col. 5.

Col. (5): 1964: P. 51, Table 15, col. 53.

Col. (6): 1962: Pp. 110–113, Table 20, average of marginal rates weighted by number of returns, subtracted from 1.00.

Col. (7): 1964: Pp. 76–78, Table 23, average of marginal rates weighted by number of returns, subtracted from 1.00.

Col. (8): (4) × (6)

Col. (9): (5) × (7)

Col. (10): (8)/(3)

Col. (11): (9)/(4)

Col. (12): Col. (2) divided by 1962: page 85, Table 4, col. 1.

Col. (13): Col. (3) divided by 1964: page 50, Table 15, col. 1.

Col. (14): 1962: Page 85, Table 4, col. 1.

Col. (15): 1964: Page 50, Table 15, col. 1.

**Table 3. Distribution of Contributions by Percentage of Contributions to Adjusted Gross Income, 1970**

<i>Contributions Deduction as a percent of Adjusted Gross Income Classes</i>	<i>Number of Returns (Thousands)</i>	<i>Amount of Contributions (Millions of Dollars)</i>
Over 0, less than 1	7,812	590
At least 1, less than 2	8,233	1,693
At least 2, less than 3	6,275	1,998
At least 3, less than 4	3,690	1,545
At least 4, less than 5	2,121	1,086
At least 5, less than 6	1,312	785
At least 6, less than 7	875	632
At least 7, less than 8	651	515
At least 8, less than 9	512	467
At least 9, less than 10	419	412
At least 10, less than 15	1,107	1,293
At least 15, less than 20	306	498
At least 20	43	82
Over 20, less than 30	147	435
At least 30	128	90
Over 30, less than 40	49	237
At least 40, less than 50	27	168
At least 50	41	245
Over 50	18	121
All returns with contributions	33,634	12,893

**Table 4. Charitable Bequests in Estate Tax Returns Filed in 1970**

Taxable Returns								Non-taxable Returns				
Total Estate Classes (Thousands of Dollars)	Number of Returns	Disposable Estate (Millions of Dollars)	Charitable Bequests	Average Marginal Rate (Per Cent)	Price of Charitable Bequest	Cost of Charitable Bequest (Millions of Dollars)	Cost as Percent of Disposable Estate	Number of Returns	Disposable Estate (Millions of Dollars)	Charitable Bequests	Charitable Bequest as Percent of Disposable Estate	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
0-	60	3,193	- 25 <sup>a</sup>	16.1	10.05 <sup>b</sup>	89.9	14.5	a	1,079	57	20.1	35.26
60-	80	11,902	770	7.3	10.05 <sup>b</sup>	89.9	6.6	0.85	15,325	1,226	31.6	2.57
80-	100	12,562	976	8.3	13.41	86.6	7.2	0.74	10,491	1,037	31.5	3.04
100-	150	22,163	2,364	23.0	18.74	81.3	18.7	0.79	11,570	1,282	48.0	3.74
150-	200	14,440	2,073	25.6	21.34	78.7	20.1	0.97	1,118	146	46.1	31.6
200-	300	12,965	2,491	52.9	26.42	73.6	38.9	1.56	480	82	39.3	47.9
300-	500	8,677	2,492	91.6	29.73	70.3	64.4	2.58	289	90	67.2	74.7
500-	1,000	5,024	2,453	151.6	32.25	67.7	102.6	4.18	121	67	53.4	79.7
1,000-	2,000	1,654	1,510	129.2	36.20	63.8	82.4	5.46				
2,000-	3,000	380	591	72.6	44.03	56.0	40.6	6.88	47	99	68.0	68.7
3,000-	5,000	257	602	100.4	47.9	52.1	52.3	8.69				
5,000-	10,000	144	584	137.0	57.7	42.3	57.9	9.92				
10,000-	∞	63	712	911.5	74.36	25.6	233.3	32.77				

Source: U.S. Internal Revenue Service, Statistics of Income, 1969, Part 4, Estate Tax Returns.

Col. (2): Page 14, Table 5, col. 1

Col. (3): Pages 15, 17, Table 5, col. 50 (taxable estate) - col. 30 (Lifetime transfers) + col. 47 (marital deduction) + col. 49 (specific exemption) + col. 45 (charitable bequests) - col. 53 (estate tax before credits)

Col. (4): Page 16, Table 5, col. 45

Col. (5): Page 24, Table 13, average marginal rate weighted by number of returns

Col. (6): 100.0 - col. (5)

<sup>a</sup>Negative disposable estate due chiefly to tax assessed with respect to lifetime transfers excluded from disposable estate.

<sup>b</sup>Average computed for a combined \$0-\$80,000 class used for both subclasses.

Col. (7): Col. (4) multiplied by col. (6)

Col. (8): Col. (7) divided by col. (3)

Col. (9): Same as col. (2)

Col. (10): Same as col. (3)

Col. (11): Same as col. (4)

Col. (12): Col. (11) divided by col. (10)

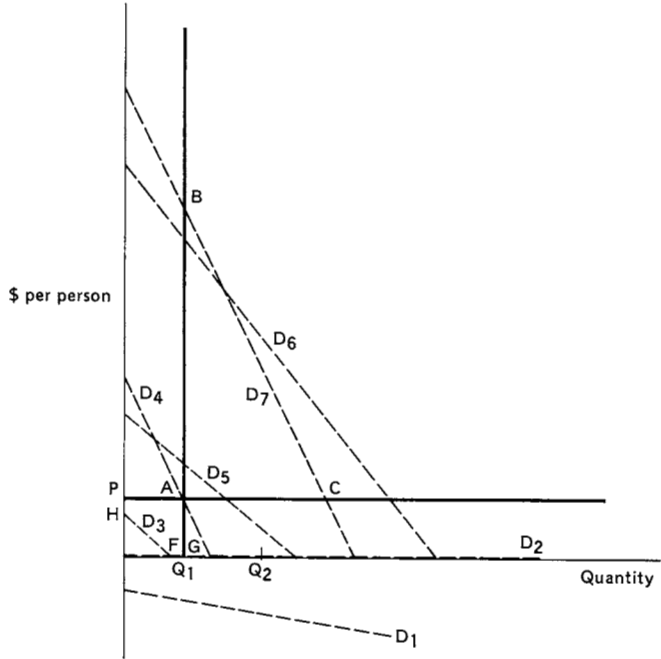


Figure 1

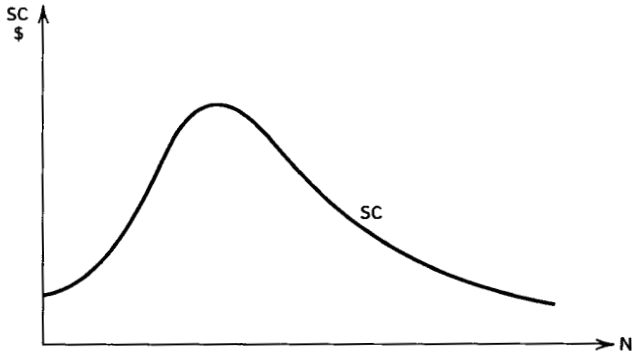


Figure 1

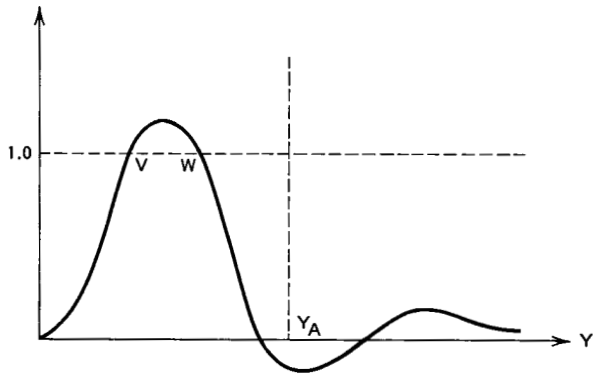


Figure 2