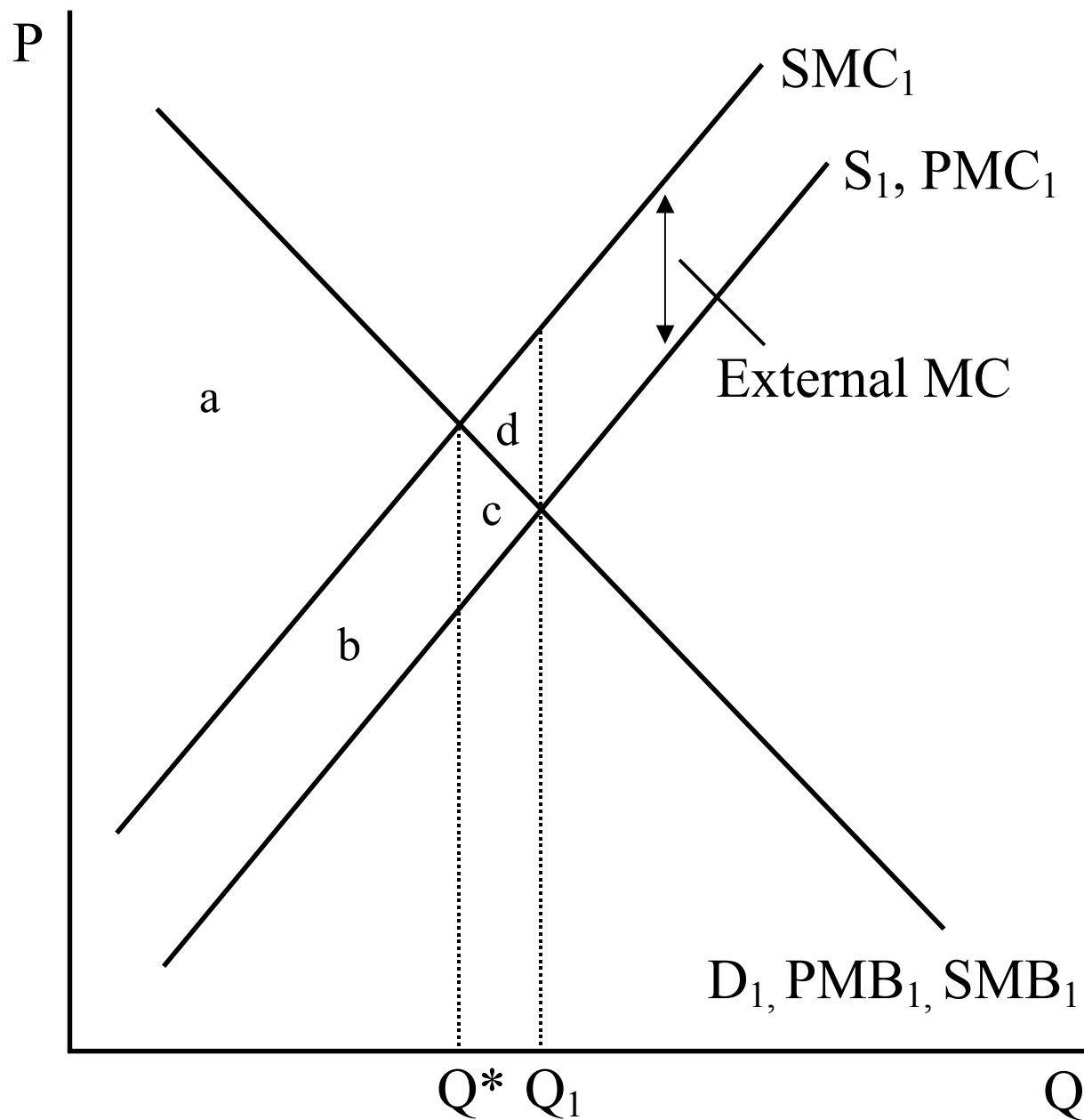


Welfare Analysis of a Negative Externality



	<u>Q_1</u>	<u>Q^*</u>
Total Private Surplus	$a+b+c$	$a+b$
- External Costs	$-(b+c+d)$	$-b$
Total Social Surplus	$a-d$	a
Deadweight Loss	d	