utility by foregoing recreation and consuming m^0/p^0 units of nonrecreation. The recreationist could achieve this higher level rather than the point $(M^0 - T^0) \div p^0$ since any recreation involves a cost T^0 that must be incurred before recreational activities can occur. If no recreation is consumed, then the potential recreationist has T^0 more dollars of income to spend on nonrecreation units. This is a discontinuity in the budget constraint. A decrease in C from C^0 to C' is represented by the iso-income line BC'. After the price decrease, the utility level of U_1 is reached and can be obtained in two ways. First, the recreationist can consume no recreation and be at the point $m^0 \div p^0$ or he can consume $Y = Y^c$, $q = q^c$. The recreationist would be indifferent between these two choices since he would remain on the same utility level regardless of his decision.

Decreasing on-site costs further gives the iso-income line BC''. This will change the optimal budget to $Y = Y^d$, $q = q^d$. Thus, as the price of recreation decreases, the quantity of recreation demanded increases. At any value of C where $C < C'$, the recreationist will prefer to consume a combination of recreation and nonrecreation commodities rather than solely nonrecreation commodities. For any value of C where $C > C'$, the consumption of recreation would be excluded from the budget, i.e., any iso-income line to the left of BC'. The price of a recreation unit at the point where a recreationist is indifferent between recreation and nonrecreation, C' in this case, is defined as the "critical" on-site cost (C^*). The effect of a change in C on the amount of recreation will depend on the magnitude of the critical price. For a given utility function, the critical value of on-site recreation cost depends on the level of income, the price of other commodities, and the cost of travel.

Travel Costs

A change in the cost of travel will be viewed in a different manner than a change in on-site recreation costs due to the fact that a travel cost must be incurred before any recreation is consumed. By varying the travel cost, T, a different budget constraint is imposed for each value of T. Referring to Equation (11), it can be ascertained that high levels of T will leave less income to be spent on recreation, Y, and all other commodities, q, whereas lower levels of T will make more income available.

It can be hypothesized that as travel costs decrease the amount of recreation (and nonrecreation goods) will increase within a certain range due to the effect of more income being