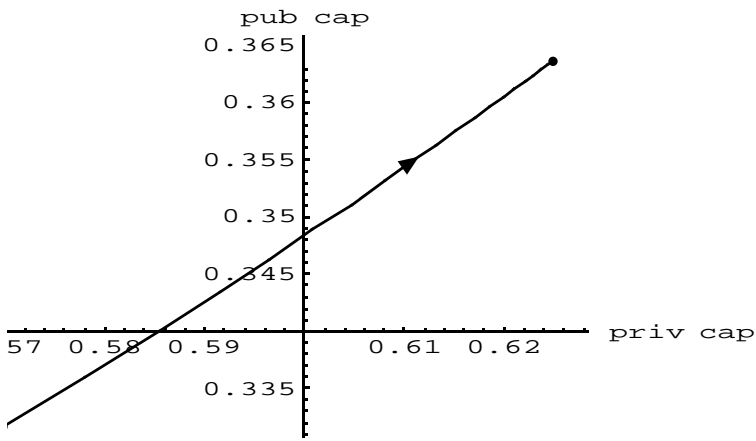
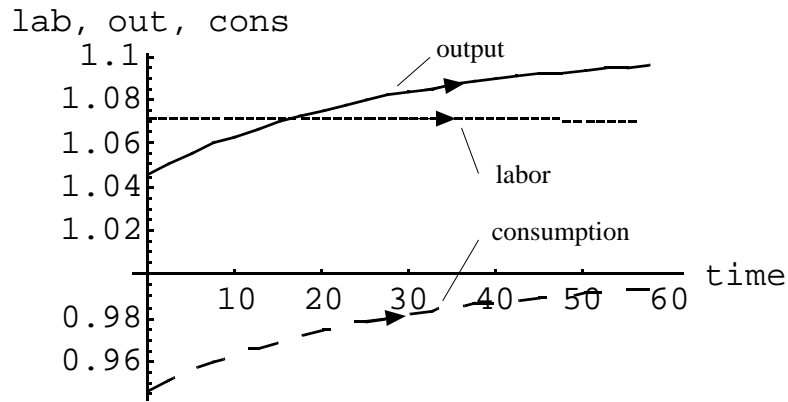


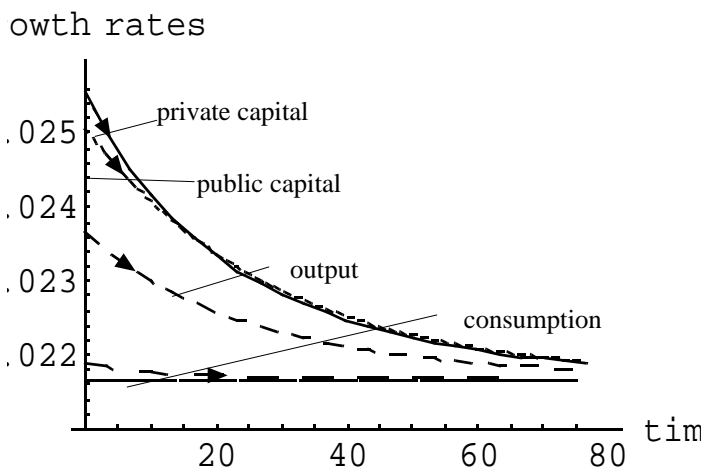
Figure 1: Increase in Government Consumption Expenditure



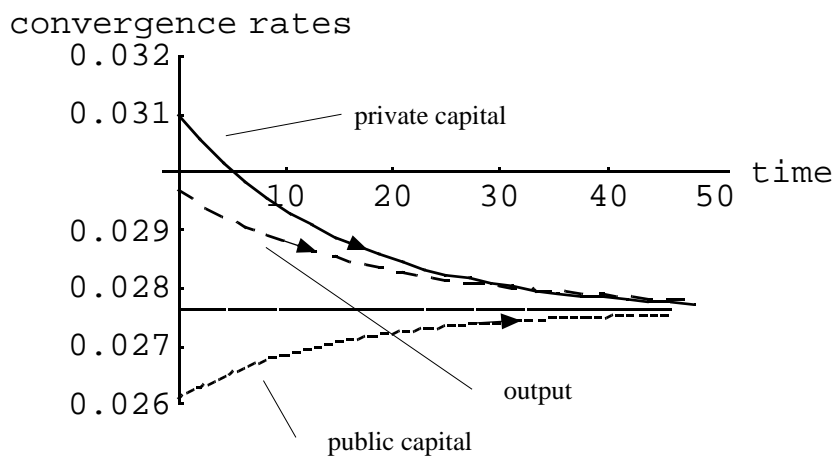
A. Phase Diagram



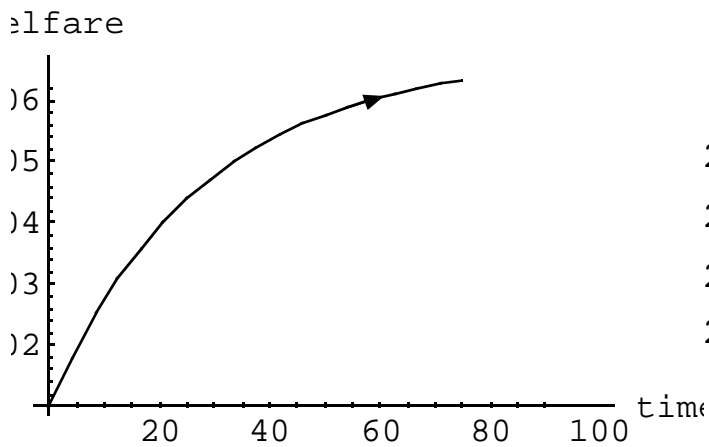
B. Transition Paths for Labor, Output, Consumption Relative to Benchmark Economy



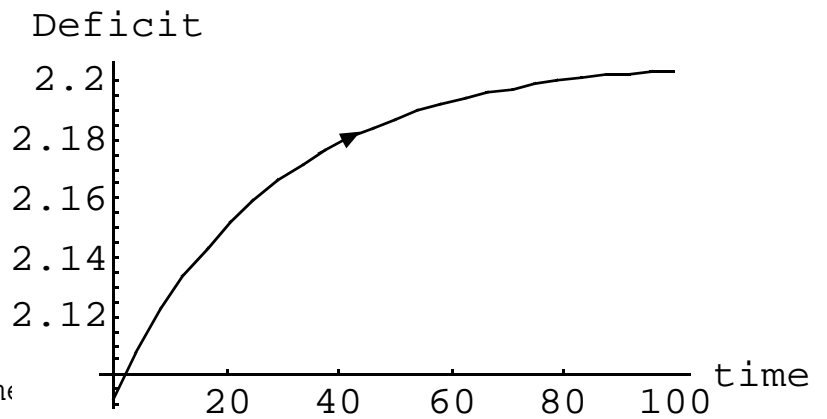
C. Growth Rates



D. Convergence Rates



E. Time Path for Instant. Welfare Gains



F. Time Path for Current Rel. Deficit