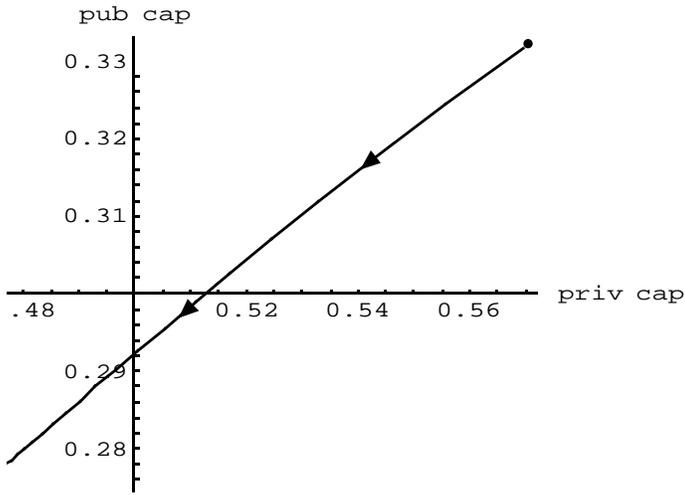
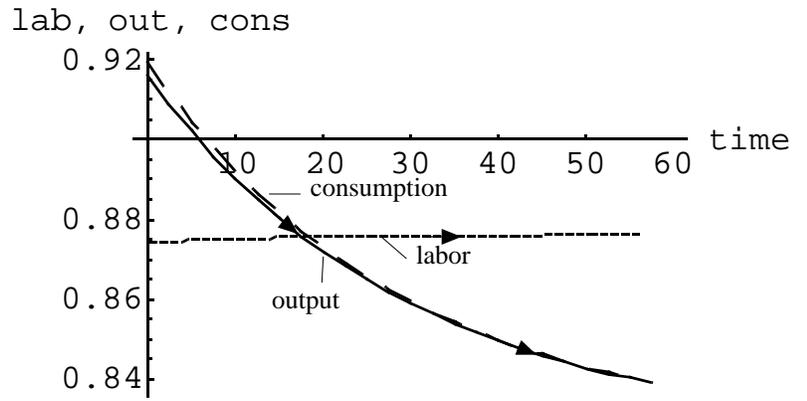


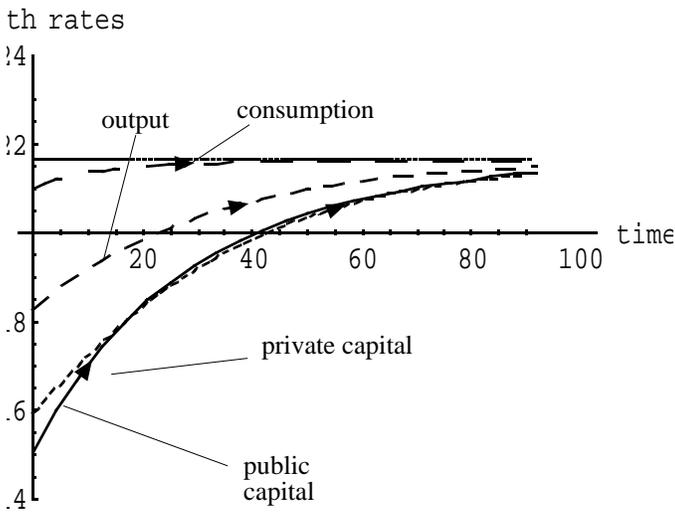
Figure 4: Increase in Tax on Wages



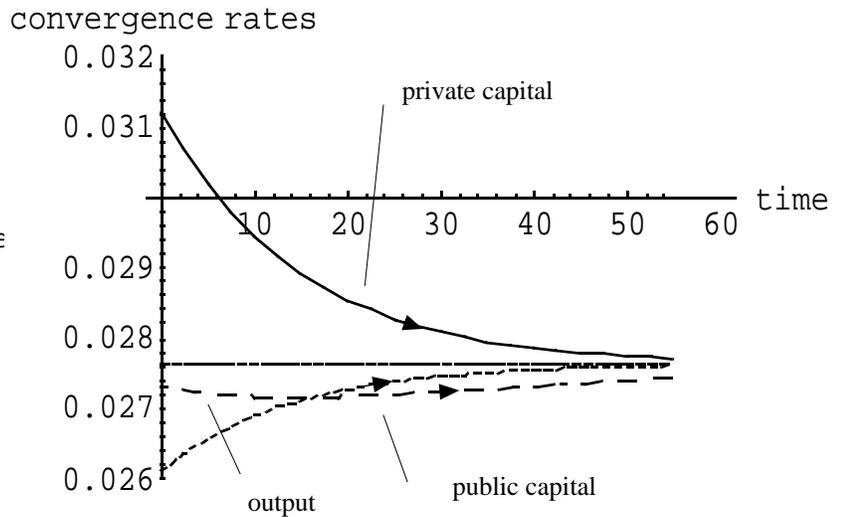
A. Phase Diagram-- Scale Adj. Priv. and Pub. Cap.



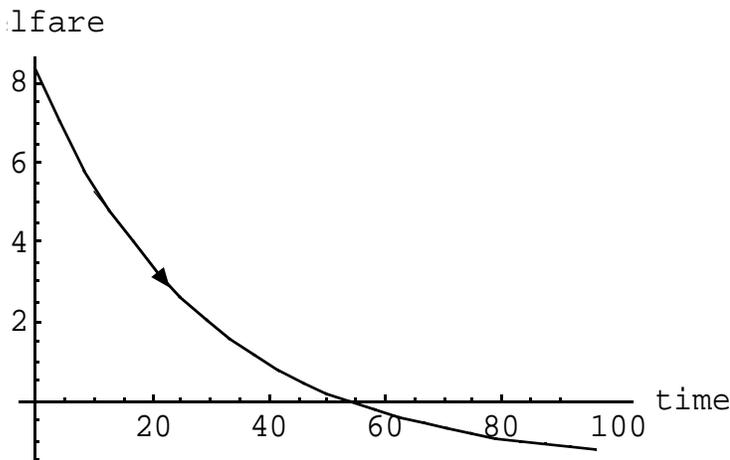
B. Transitional Paths for Labor, Output, Consumption Relative to Benchmark Economy



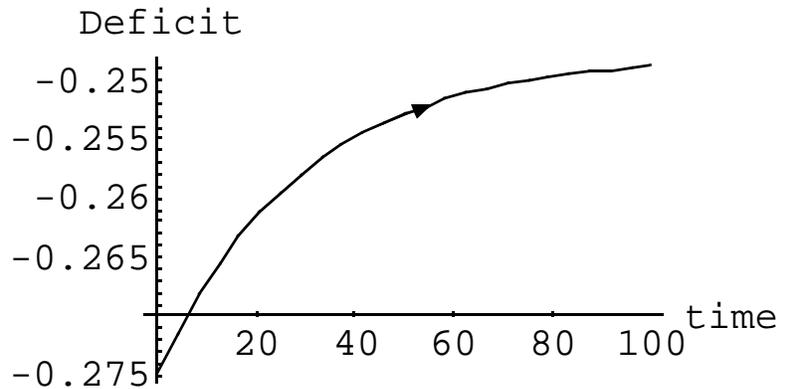
C. Time Paths for Growth Rates



D. Time Paths for Convergence Rates



E. Time Path for Instant Welfare Gain



F. Time Path for Current Per. Deficit