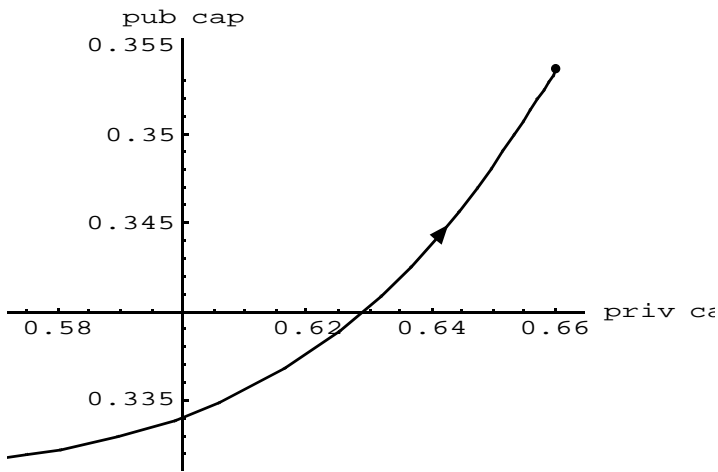
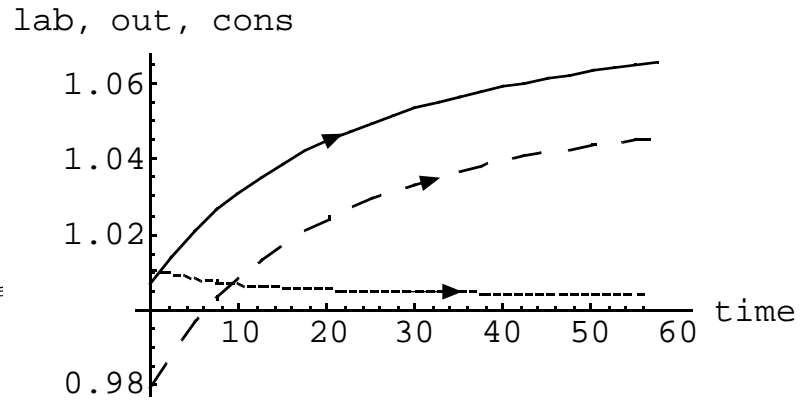


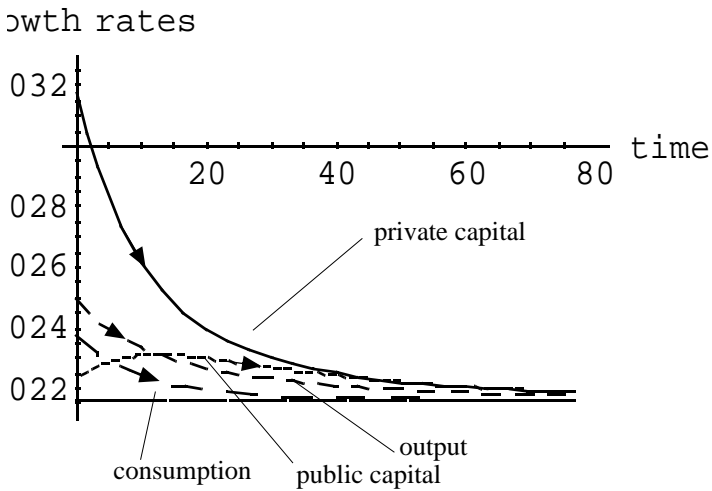
Figure 5: Substitution of Consumption Tax for Income Tax



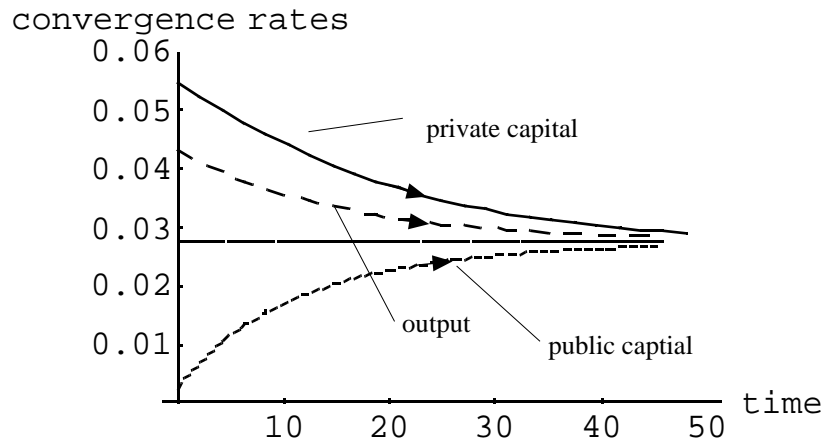
A. Phase Diagram-- Scale Adj. Priv. and Pub. Cap.



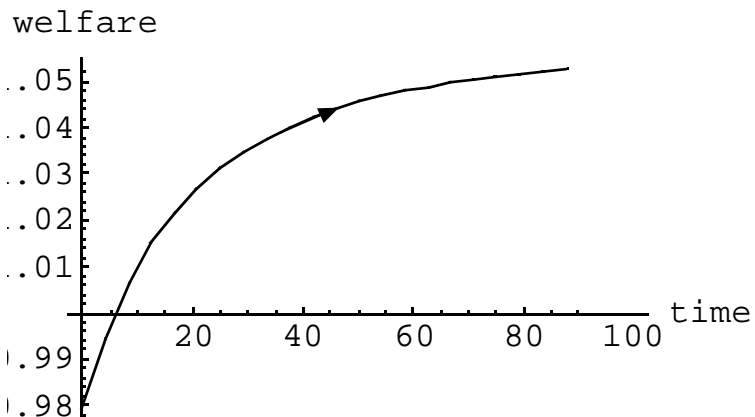
B. Transition Paths for Labor, Output, Consumption Relative to Benchmark Economy



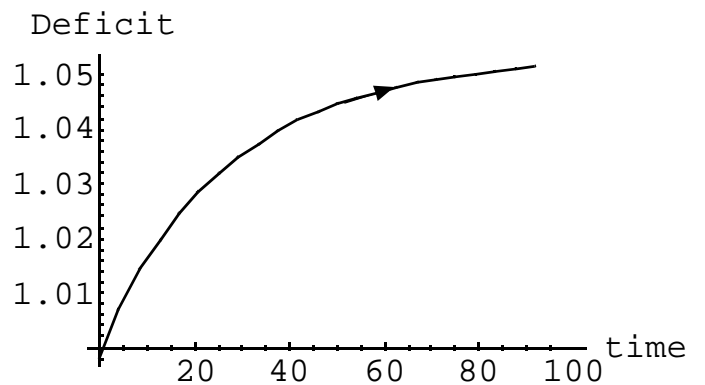
C. Time Paths for Growth Rates



D. Time Paths for Convergence Rates



E. Time Path for Instant Welfare Gains



F. Time Path for Current Bal. Deficit