

Figure 1a) Two interior and one corner equilibrium

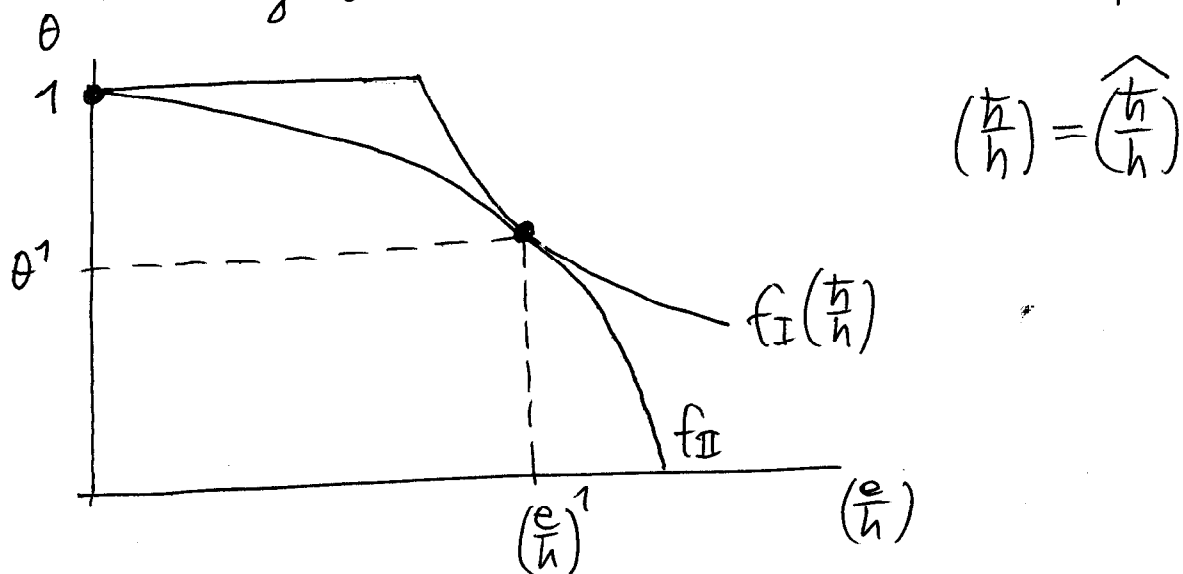


Figure 1b) One interior and one corner equilibrium

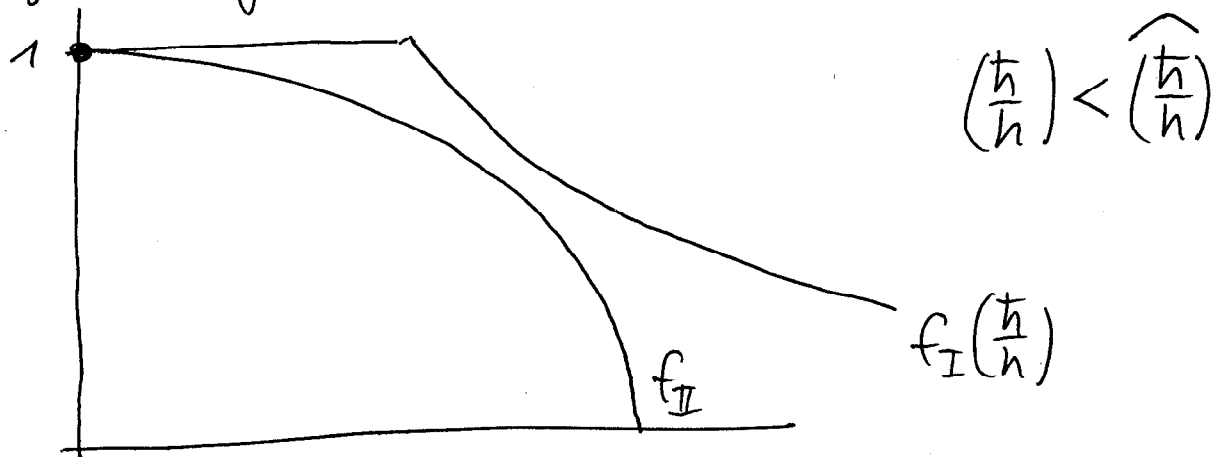


Figure 1c) One corner equilibrium

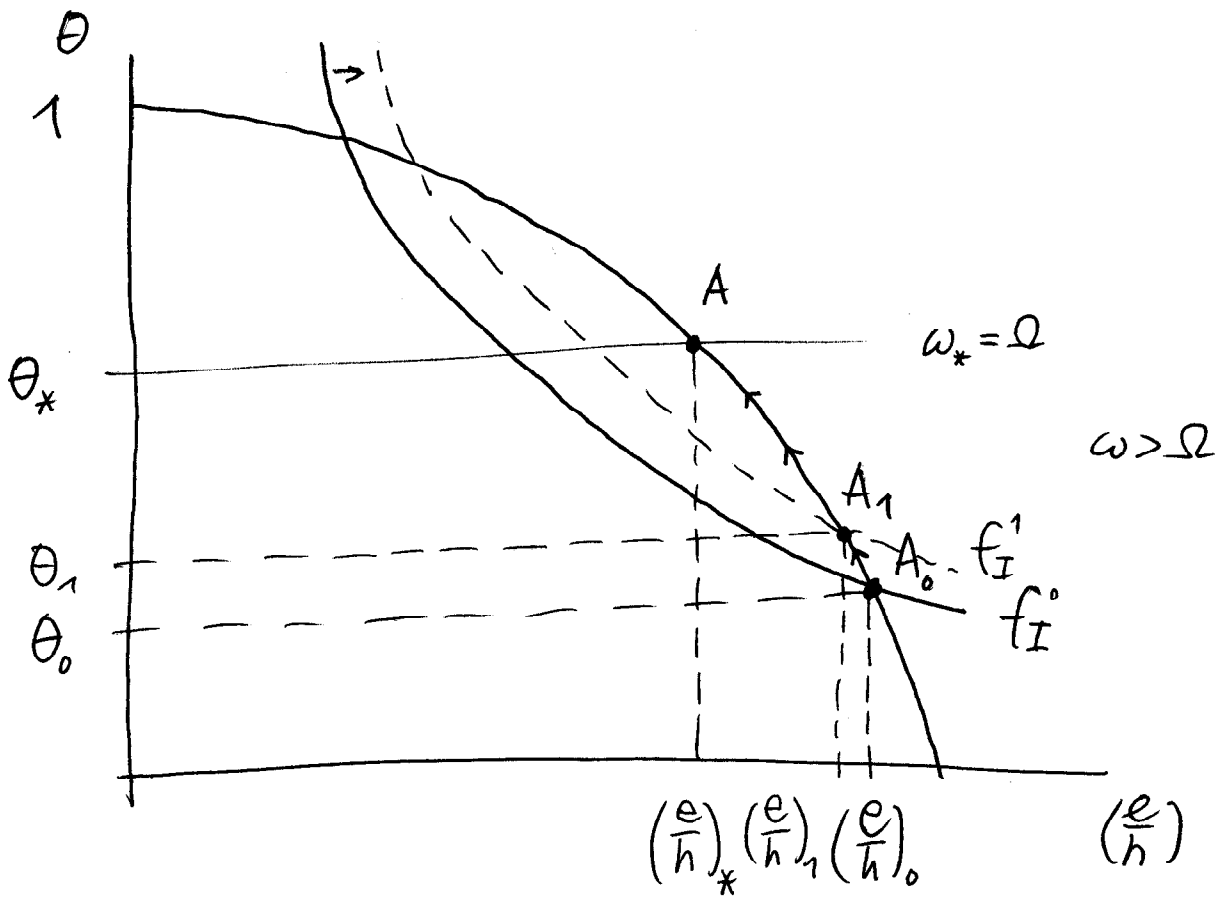


Figure 2a) Catch-up Transition

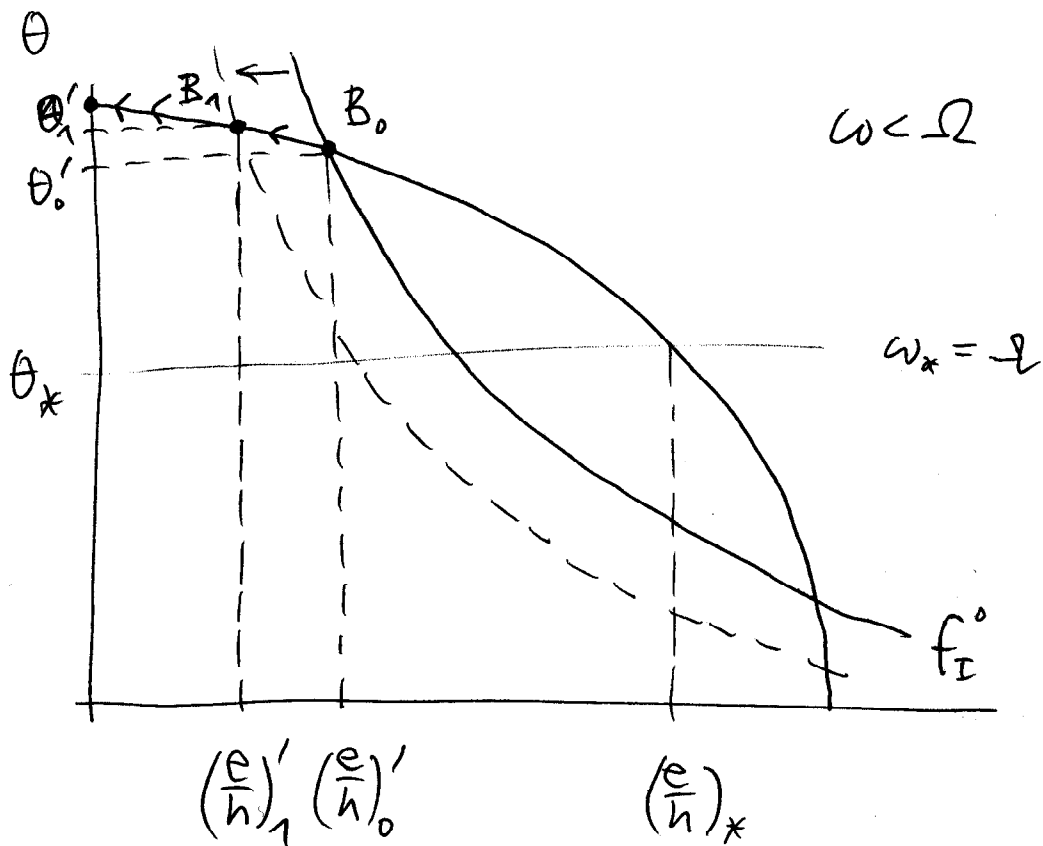


Figure 2b) Stagnation Transition

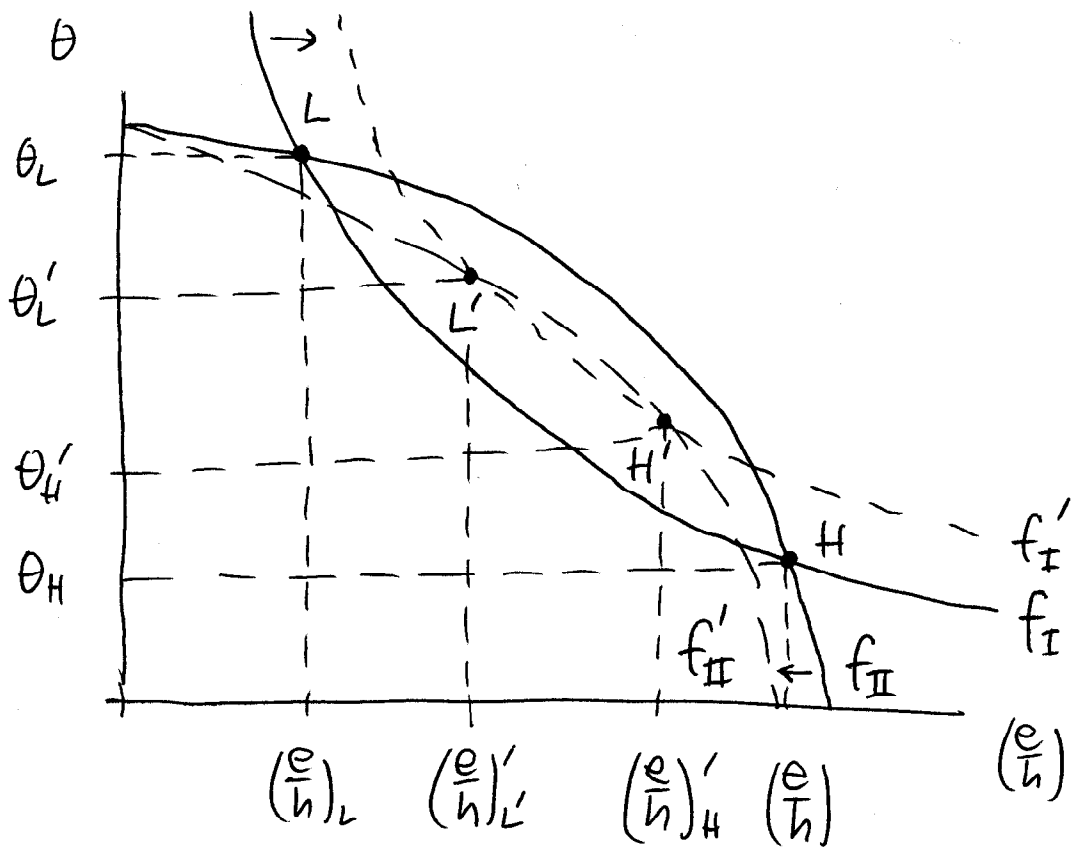


Figure 3 Effects of increased tax rate

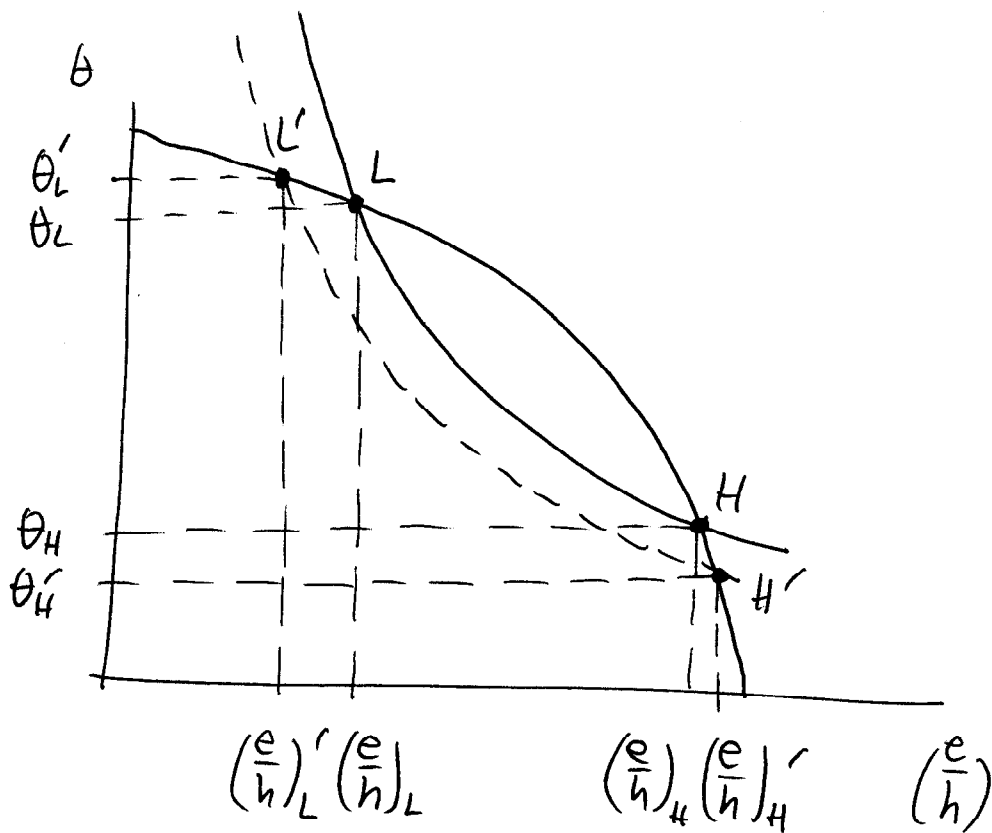


Figure 4 Effects of increased government spending