

Figure 3: Response to anticipated future step-increase in Λ

(case of positively-sloped $(q/\Lambda, x)$ schedule)

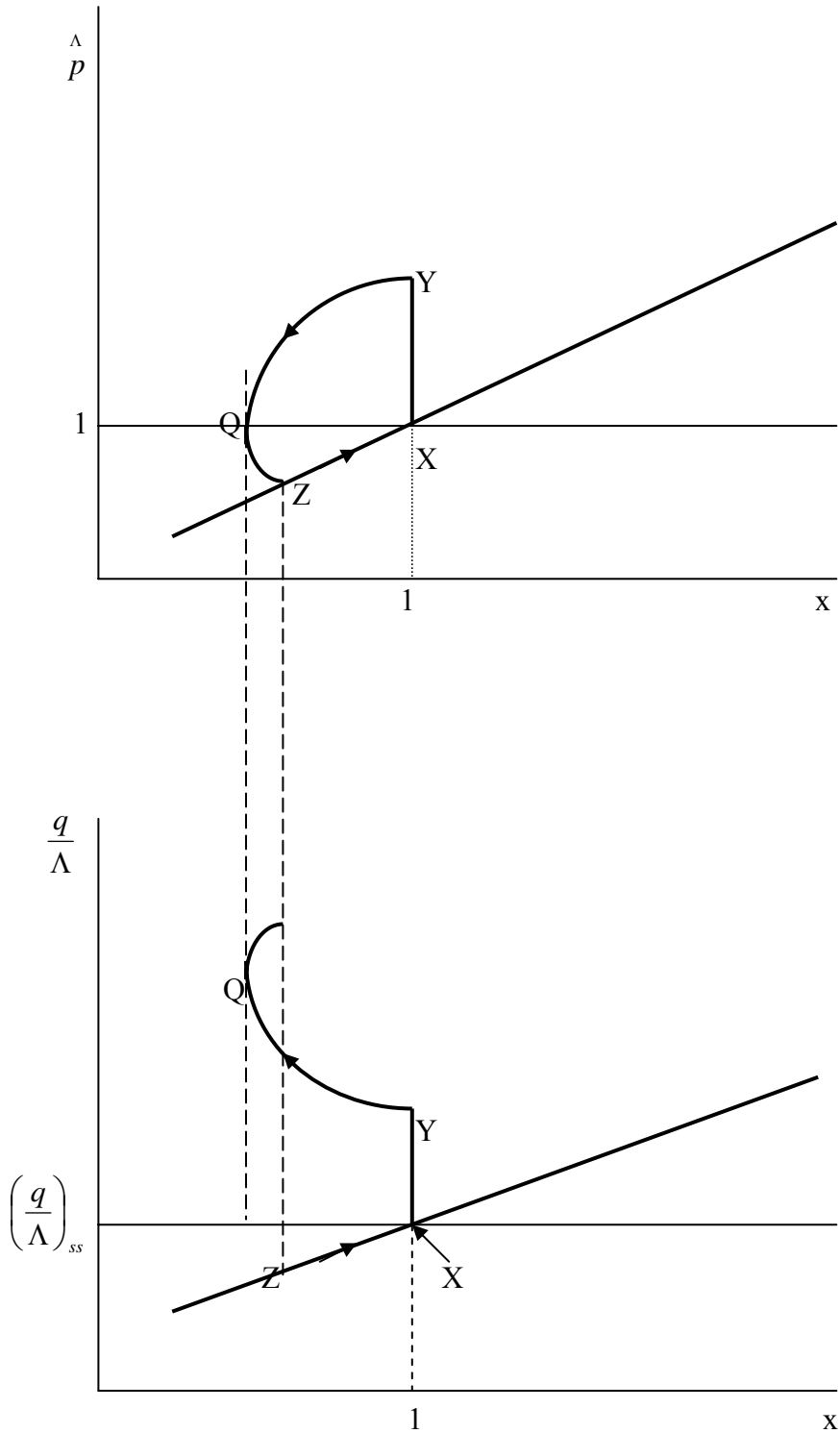


Figure 4: Response to anticipated future step-increase in Λ

(case of negatively-sloped $(q/\Lambda, x)$ schedule)

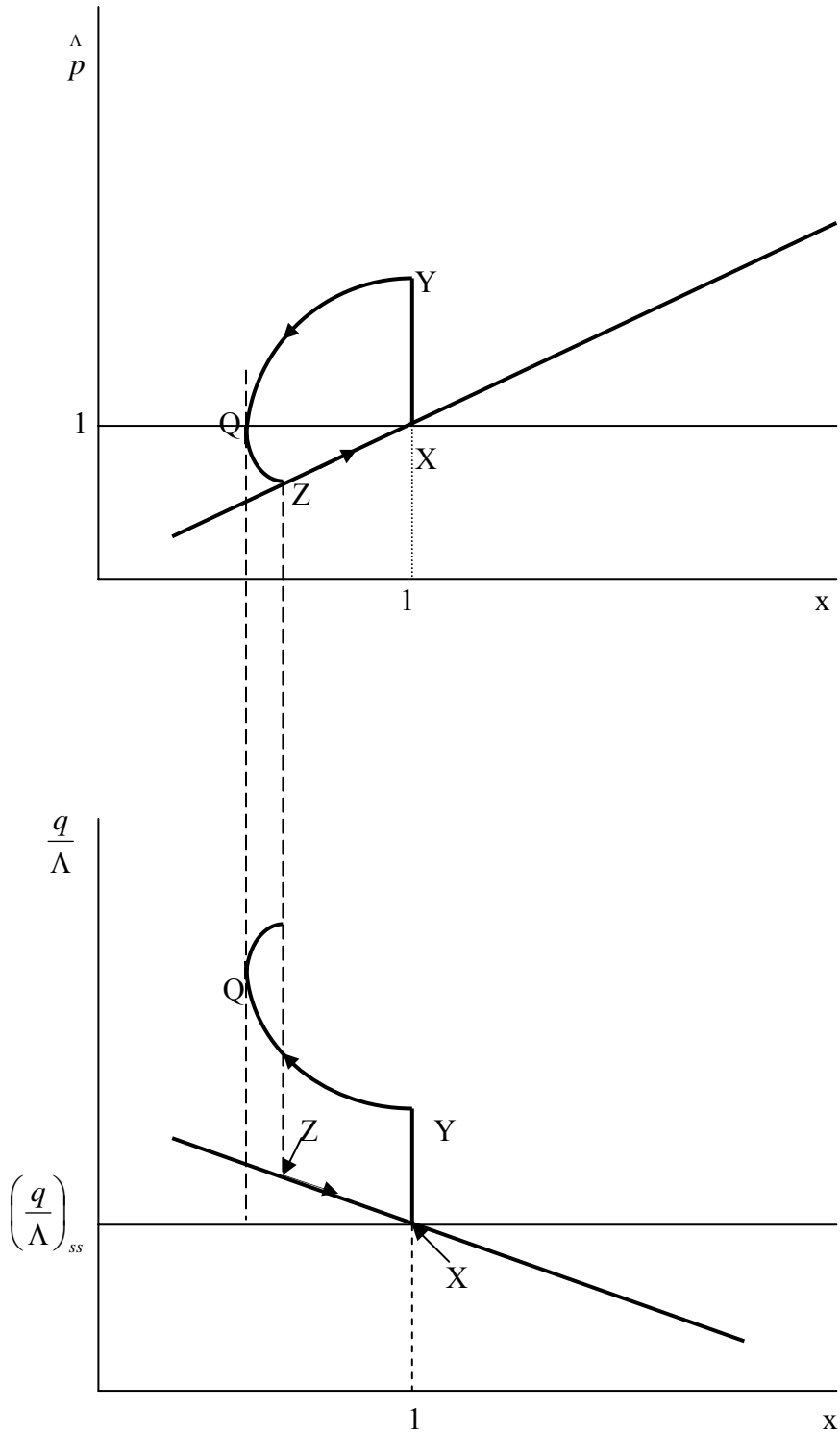


Figure 5: Response to a rise in r^*

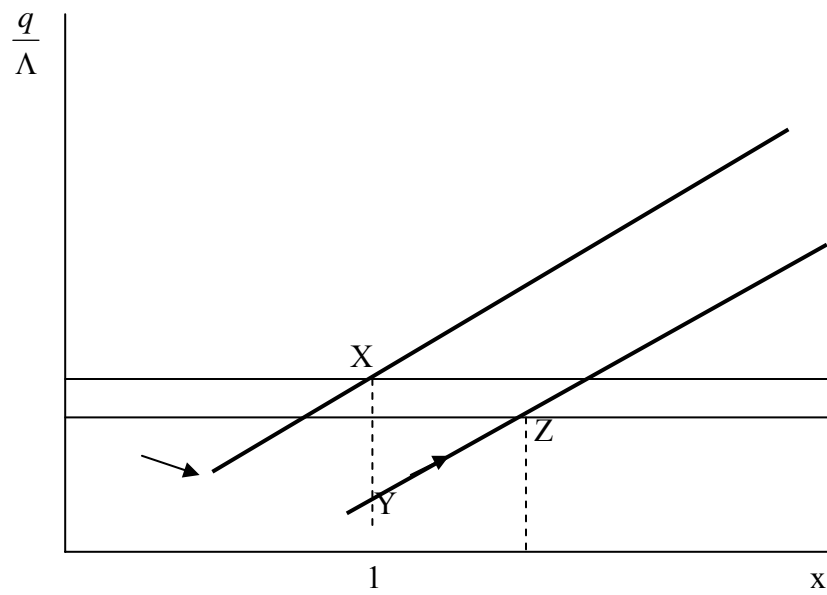
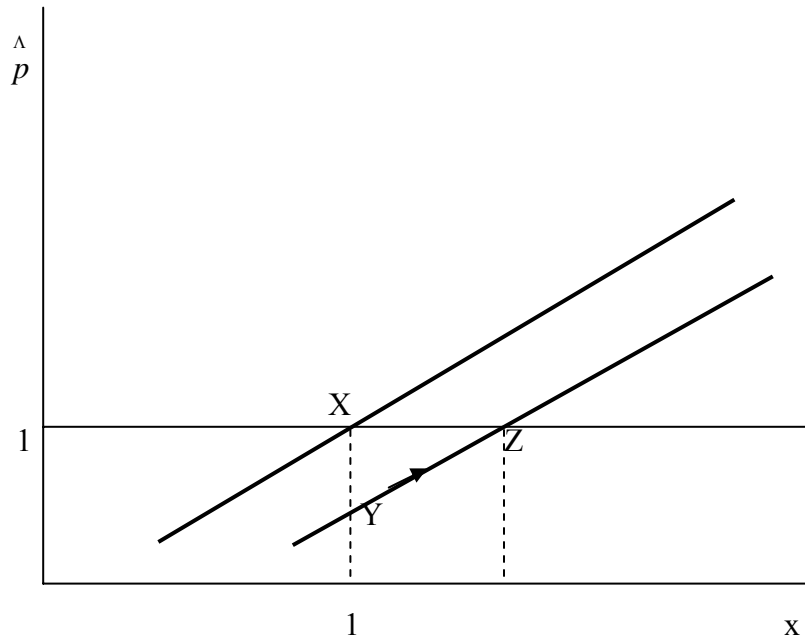


Figure 6: Response to an unanticipated permanent wage income tax cut

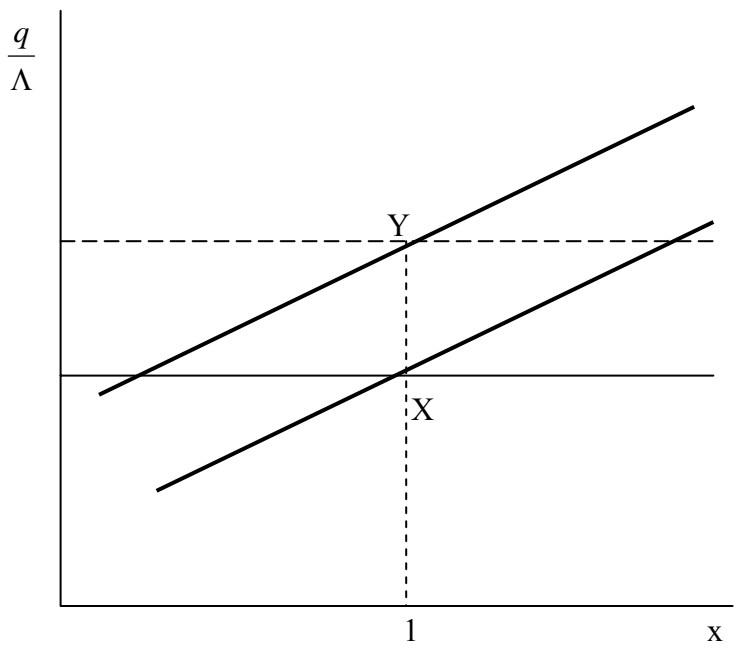
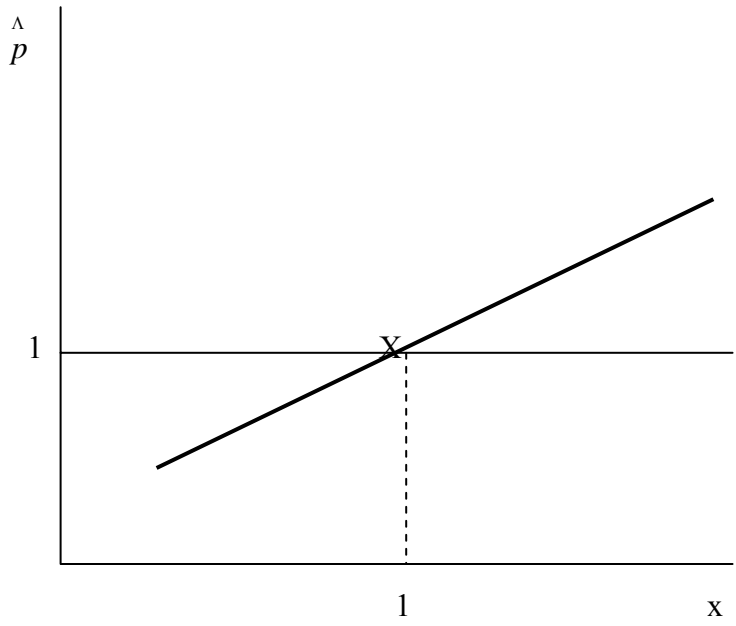


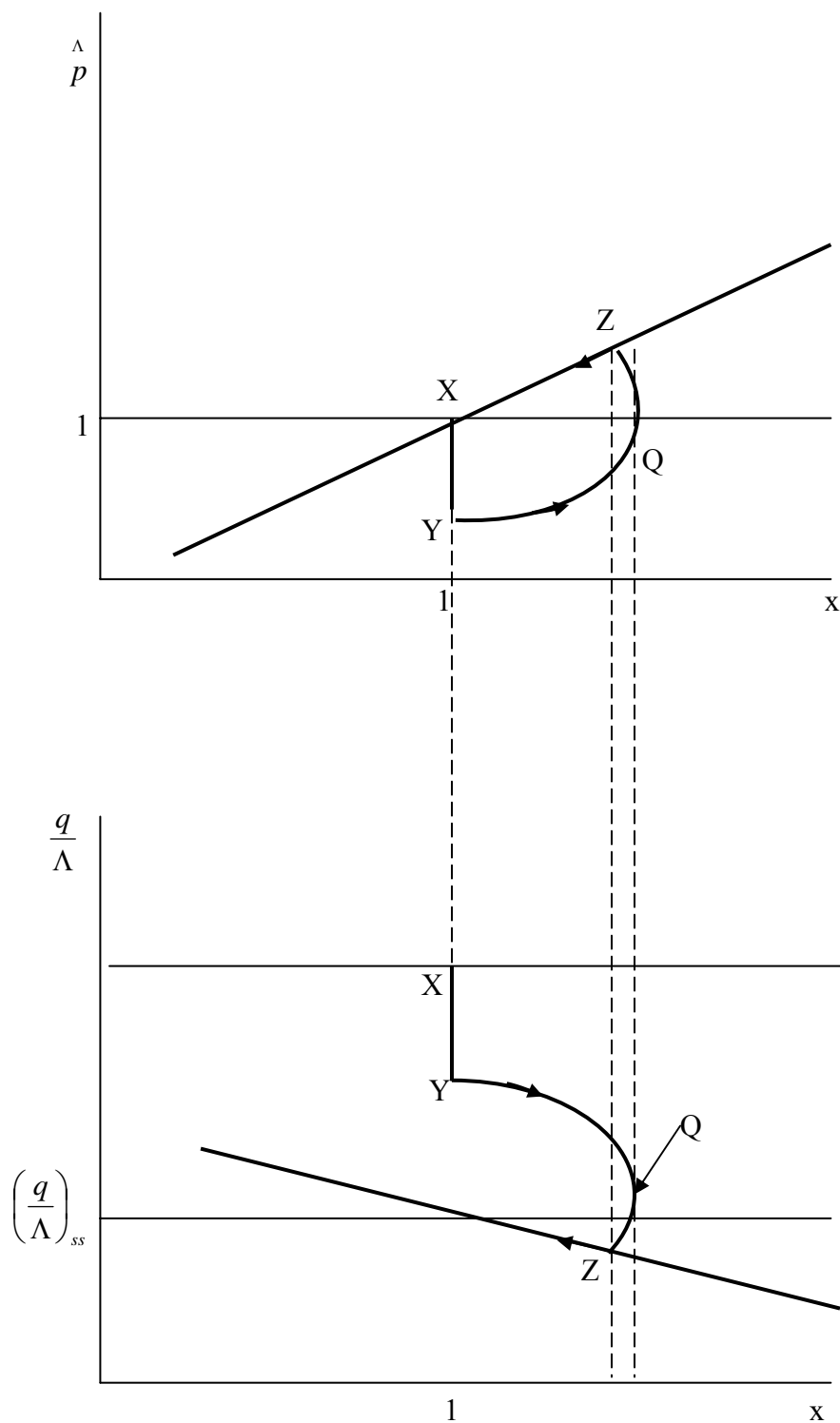
Figure 7: Response to anticipated future increase in τ (case of negatively-sloped $(q/\Lambda, x)$ schedule)

Figure 8: Long-run determination of employment

