

Figure 2. Changes in Government Balance Sheet in Transition Period (percent of GDP)

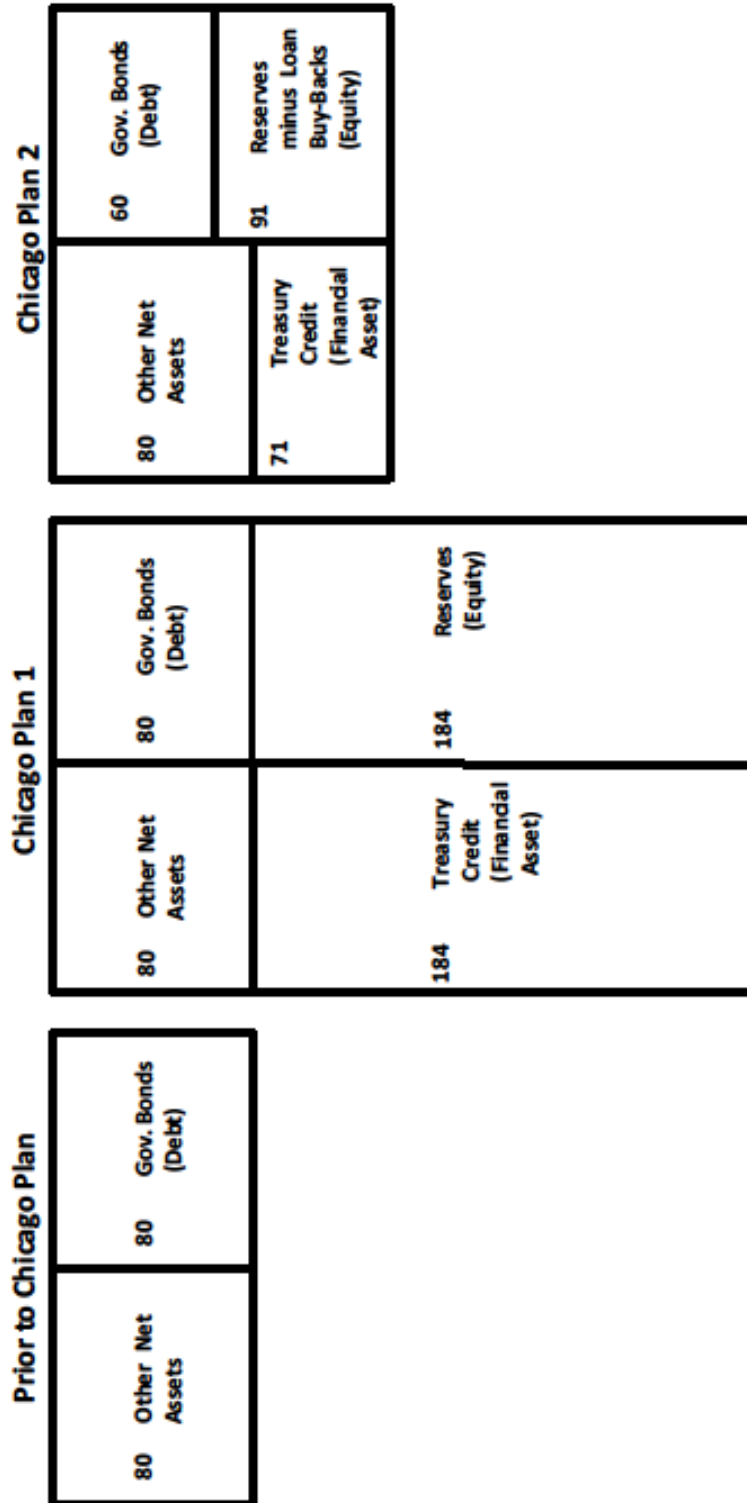


Figure 3. Changes in Bank Balance Sheet - Details (percent of GDP)

Pre-Transition		Post-Transition 1		Post-Transition 2	
20 W. Capital Loans	40 Manufacturer Deposits	20 W. Capital Loans	40 Manufacturer Deposits	43.1 Manufacturer Deposits	
20 Consumer Loans		20 Consumer Loans			
20 Gov. Bonds	40 Constrained Household Deposits	20 Gov. Bonds	40 Constrained Household Deposits		
60 Mortgage Loans	104.25 Unconstr. Household Deposits	60 Mortgage Loans	104.25 Unconstr. Household Deposits	139.9 Household Deposits	
80 Investment Loans		80 Investment Loans			
	15.75 Equity		15.75 Equity		
		184.25 Reserves	184.25 Treasury Credit	80.4 Investment Loans	71.3 Treasury Credit
				183 Reserves	9.1 Equity

Figure 4. Transition to Chicago Plan - Bank Balance Sheets

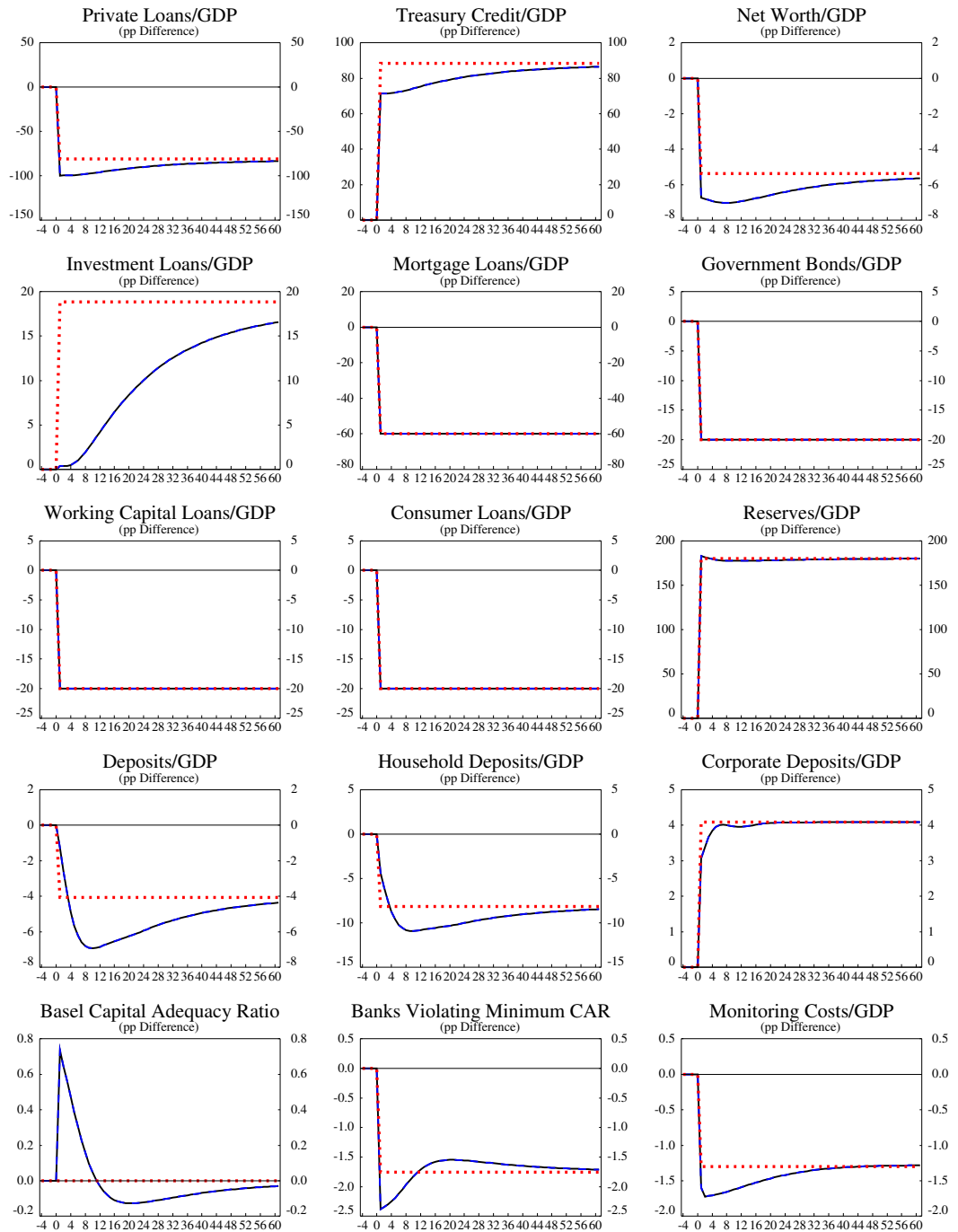


Figure 5. Transition to Chicago Plan - Main Macroeconomic Variables

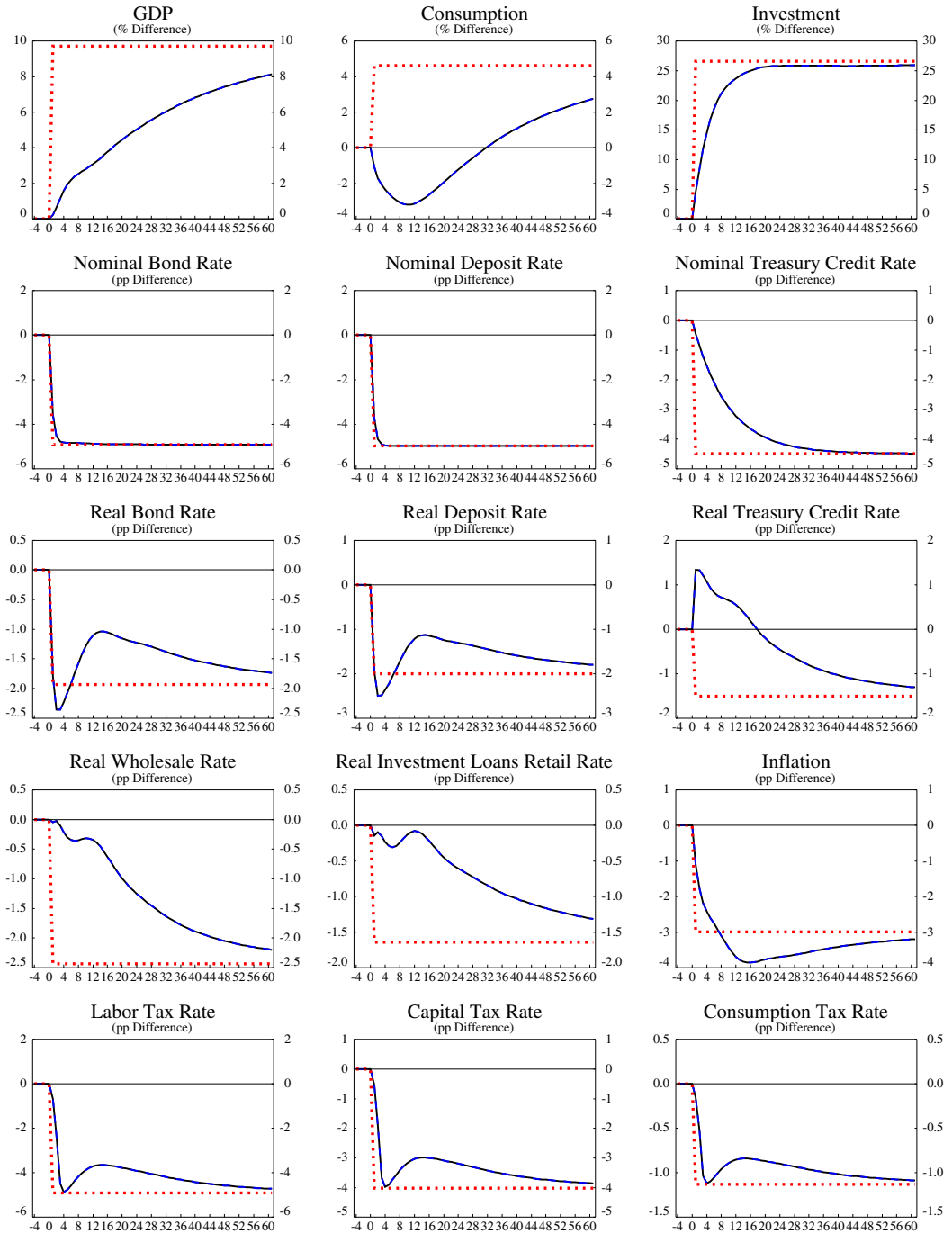


Figure 6. Transition to Chicago Plan - Fiscal Variables

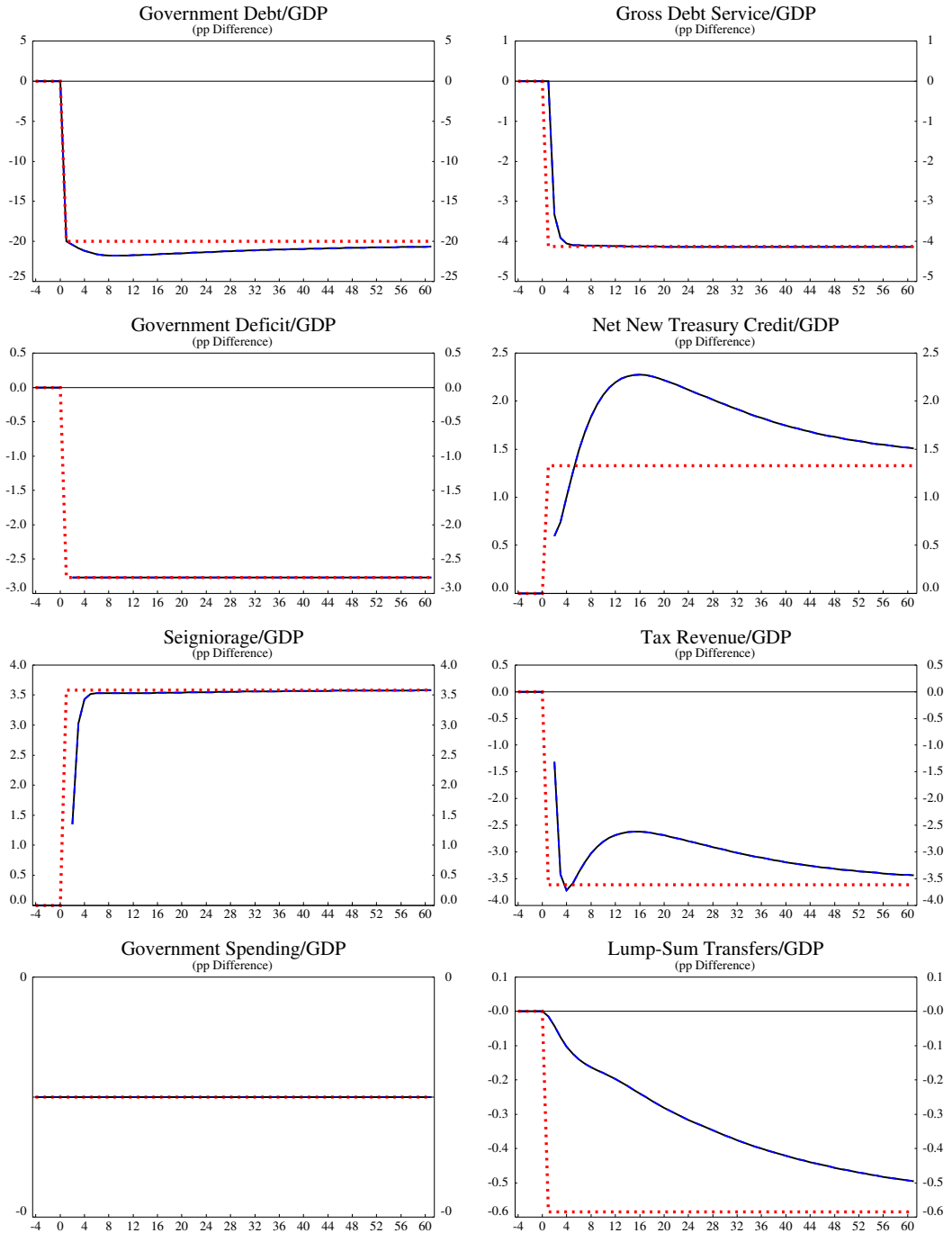
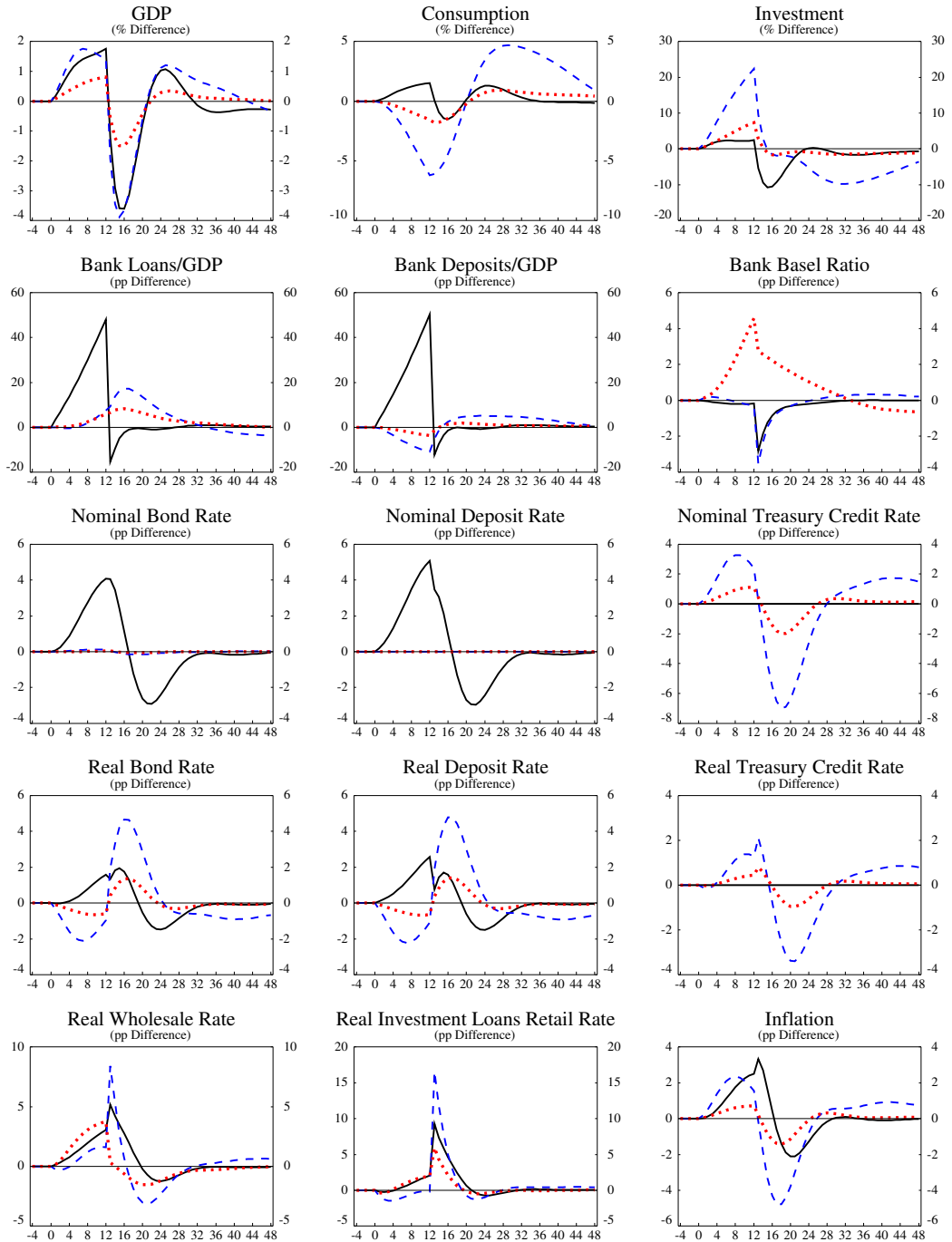


Figure 7. Business Cycle Properties Pre-Transition versus Post-Transition



___ = Pre-Transition, --- = Post-Transition, $p_\ell = 0$, = Post-Transition, $p_\ell = 8$