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PROFIT SHARING, UNEMPLOYMENT, AND INFLATION IN CANADA: A SIMULATION ANALYSIS

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A dissertation submitted to the Faculty of Graduate Studies and Research in partial fulfilment of the requirements for the degree of Doctor of Philosophy.

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ABSTRACT

The thesis examines the impact of a partial switch to a share system in Canada on unemployment and inflation. Simulations with an independent Canadian macro model and Canadian data for the period 1973-1983 show that profit sharing will not always resolve unemployment and inflation, as claimed by Martin Weitzman. Some combinations of the share parameters resolve them, while others aggravate them. Thus, the combinations of the share parameters play a key role in terms of impact of the profit sharing on unemployment and inflation.

RÉSUMÉ

La thèse examine l'impact d'un changement partiel à un système de revenu partagé sur le chômage et l'inflation au Canada. Les simulations avec un modèle macro indépendent de l'économie canadienne utilisant des données canadiennes pour la période 1973-1983, démontrent que le partage des revenus n'est pas toujours la solution réclamée par Martin Weitzman. Certaines combinaisons des paramètres du partage, réduisent le chômage et l'inflation quant à d'autres, les augmentent. Conséquemment, la combinaison des paramèmetres du partage joue un rôle important en fonction de l'impact du système du revenu partagé sur le chômage et l'inflation.

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MNEMONICS

General

GNP = Gross National Products (expenditure) in billions of 1971 dollars.

EMP = Employment in millions of persons.

CEP = Rate of Inflation calculated from Implicit Price Index for Consumer Expenditures on Goods and Services.

SHL = Labor Share as a percentage of Private output.

Note: All the figures are quarterly.

DGNP = Change in Gross National Product compared to the corresponding "Base-Case" GNP (in millions of 1971 dollars).

DEMP = Change in Employment compared to the corresponding "Base-Case" Employment (in thousands of persons).

%DCEP = Change in the Rate of Inflation calculated from Implicit Price Index for Consumer Expenditures on Goods and Services divided by the Corresponding "Base-Case" rate, multiplied by 100.

%DGNPP = Change in the Rate of Inflation calculated from Price Index for Gross National Product divided by the corresponding "Base-Case" rate, multiplied by 100.

DSHL = Change in the Share of Labor in Private Output compared to the corresponding "Base- Case" share (multiplied by 100,000).

Mathematical

a = A positive constant.

A = Multiplier for government expenditures or autonomous expenditure or the cost of capital depending on occasion.

b = Cost of including raw material prices in the unrestricted indexing rule.

B = Multiplier for real cash balances.

B_i = A fixed parameter, i = 1,...,4.

c = Profit sharing or revenue sharing coefficient.

D = A dummy variable.

e = Demand for labor under restricted indexing rule.

e^* = Demand for labor under unrestricted indexing rule.

f = Fixed amount of overhead labor.

F = Aggregate fixed amount of overhead labor.

g = Mark-up coefficient.

G = Government total spending on goods and services in real terms or the gain in using a restricted indexing rule depending on occasion.

G^* = The maximum value of the gain in using a restricted indexing rule (G).

h = Base wage coefficient.

H = Number of households.

I = Autonomous expenditure.

K = Stock of capital.

L = Aggregate employment in firms (nL_i).

L_i = Employment in firm i.

L^* = Total supply of labor.

m = Degree of indexation.

m^* = Optimal degree of indexation.

M = Money balances of all the households at the beginning of the period.

MPL = Marginal productivity of labor.

MR = Marginal revenue.

n = Number of firms or a constant depending on occasion.

P = Price of product or aggregate price level or relative deviation of product price from its expected value depending on occasion.

q = Relative deviation of raw material price from its expected value.

Q = Aggregate real output.

Q_i = Output of firm i.

Q^* = Potential aggregate output.

Q' = Desired or target output.

$R_i(L_i)$ = Total revenue as a function of labor in firm i.

R = Total revenue.

s = Share of labor.

T = Tension or tautness of the wage system.

TR = Total revenue.

UR = Unemployment rate.

v = A parameter.

w = Labor compensation per worker (i.e., money wage rate) in wage economy or relative deviation of wage from its expected value depending on occasion.

$w(L_i)$ = Labor compensation per worker in firm i in the share economy.

w^* = Base wage (fixed component of labor compensation per worker in the share system).

w^{**} = Market clearing wage.

x = Marginal productivity of an extra worker.

$II_i(L_i)$ = Profit in firm i.

$(\ )$ = Growth in $(\ )$.

$(\ )^e$ = Expectation of $(\ )$.

$E(.)$ = Expectation of $(.)$.

CHAPTER I

INTRODUCTION

1.1 THE CONCEPT OF PROFIT SHARING

Profit sharing might be defined as an arrangement whereby for their labor services, the employees receive remuneration as a fixed component, which is lower than the wage rate of the wage system and a variable component, which is proportional to profit (or revenue) per worker.

There are many benefits of a share system as compared to a wage system. They can be basically classified into two parts: microeconomic benefits and macroeconomic benefits. The microeconomic benefits of profit sharing, as discussed in traditional profit-sharing literature, include higher productivity (see Jones and Svejnar, 1985, and Defourny, et al., 1985), improvement in labor-management relations, boosting of morale of workers, and fostering of a sense of partnership (see Cabel and Fitzroy, 1980a, 1980b). There are many macroeconomic benefits of a share system such as lower rates of inflation and unemployment, and higher level of output. Although the microeconomic arguments for profit sharing have a long history, macroeconomic arguments, while relatively neglected, are not new. They were discussed in the

United States in the thirties and forties (see Slichter, 1939, and King, 1941), and their relevance for Australian economy was pointed out even earlier (see Sutcliff, 1925). In a pioneering article, Vanek (1965) noted that profit sharing could have beneficial macroeconomic properties. It could promote employment and reduce inflation at the same time. However, the article went unnoticed. The idea, which remained dormant for many years, was revived in the early eighties (see Mitchell, 1985; Thurow, 1984; Canada, Department of Finance, 1984, and Wallich, 1984).

The case for macroeconomic effects of profit sharing has attracted much attention after the publication of Martin Weitzman's book, The Share Economy in 1984. In the book, Weitzman provided a theoretical analysis of profit sharing. Weitzman's proposal of profit-sharing aroused considerable interest among economists, businessmen, and policy makers. There were many economists who responded to his proposal. Some of them were sympathetic to his proposal, but many others criticized it. Nevertheless, the economic research on the issue has been predominantly theoretical. In the present study, I am using "simulation analysis" that is expected to overcome many of the drawbacks of a theoretical analysis. Since I want to assess the impact of a partial switch to the share system on the problems of unemployment and inflation in Canada, a Canadian macro model and Canadian data shall be used. The Canadian model that will be used for the study is

known as Canadian General Equilibrium System (C-GENESYS).

Although the wage system of payment is the main form of labor compensation in most of the capitalistic societies, it is not a universal system of payment. Some form of profit sharing already exists in these economies. In Canada, a large part of the earnings of thousands of people is a direct share of the value of what they produce or what is produced by the organization they work for. The following are such examples of profit sharing:

(1) Self-employed people and professionals such as farmers, small contractors, doctors, and lawyers in private practice.

(2) People who work on commission such as sales people in many activities including real estate, insurance, and securities.

(3) People who receive tips such as waiters, hairdressers, taxi drivers, etc.

(4) Many executives and senior employees of some private corporations have limited forms of profit sharing, where, apart from base wage, employees are given cash bonuses that are either tied to their own performances or the performance of their companies. In recent years, these bonuses are becoming more and more popular.[1] They are different from stock options traditionally given only to executives. Now they are being given, not only to chief executive officers,

[1]See Toronto Star, Business section, June 19, 1994.

but also to middle-and lower-level executives, as well as to most of the senior employees of the companies.[2] Under the new regulations adopted by the Ontario Securities Commission in fall 1993, public companies must disclose the details of what they paid their executives in the previous three years.

It is, thus, obvious that in Canada the idea of profit sharing is not new. Profit sharing however, has not been used as a macroeconomic policy instrument. Weitzman (1984a) pointed out that profit sharing is socially optimal but not privately optimal. Consequently, a widespread adoption of a share system can not be expected on a voluntary basis. Thus, public policy measures need to be taken to induce firms and workers to adopt share-type compensation. Weitzman (1984a) suggests tax-breaks to induce firms and workers to adopt a share system. Before economists can strongly recommend profit sharing to the policy makers, they need to be sure that it has potential to produce desired macroeconomic effects. The present study uses simulations to analyze whether profit sharing has such potential.

---

[2]Although executives' salaries in North America in many of the largest enterprises are very high relative to such salaries elsewhere, a significant part of them is tied to either their own performance or to the performance of their companies. During economic downturns as firms' profits go down, compensation to executives and other senior employees also goes down. This gives employers flexibility of retaining their services during bad economic times.

1.2 THE RATIONALE AND THE FRAMEWORK OF ANALYSIS

1.2.1 UNEMPLOYMENT AND INFLATION IN CANADA

This study focuses on the problems of unemployment and inflation. Macro policies that target inflation usually have a cost in terms of unemployed resources. A profit sharing system promises to allow inflation to be controlled at a reduced cost in terms of unemployed resources.

It is obvious from the following table that since 1961 the unemployment rate in Canada has been fluctuating. Sometimes it rises and at other times it falls, but unemployment never disappears. In more than half of the years since 1982, the unemployment rate has been in double digits. Sometimes high rate of unemployment has been associated with high rate of inflation. At other times, it has been associated with low rate of inflation. From 1973 until 1982, the inflation rate remained above seven percent. During this period, the unemployment rate also increased from 5.5 percent to 11 percent. Thus, this period from 1973 to 1982 is characterized as a period of high rates of both unemployment and inflation. The term stagflation has been used to describe the coexistence of unemployment and inflation. Although the inflation rate is substantially low at present, the

unemployment rate is still very high.[3]

Table I.1

Unemployment Rates[a], Inflation Rates[b], Canada 1961-1993

Year	Unemployment Rate	Inflation Rate	Year	Unemployment Rate	Inflation Rate
1961	7.1	1.0	1978	8.3	8.9
1962	5.9	1.1	1979	7.4	9.1
1963	5.5	1.7	1980	7.5	10.2
1964	4.7	1.8	1981	7.5	12.4
1965	3.9	2.5	1982	11.0	10.8
1966	3.4	3.7	1983	11.8	5.8
1967	3.8	3.6	1984	11.2	4.3
1968	4.5	4.0	1985	10.5	3.9
1969	4.4	4.5	1986	9.5	4.2
1970	5.7	3.3	1987	8.8	4.4
1971	6.2	2.8	1988	7.8	4.0
1972	6.2	4.8	1989	7.5	5.0
1973	5.5	7.6	1990	8.1	4.8
1974	5.3	10.9	1991	10.3	5.6
1975	6.9	10.7	1992	11.3	1.5
1976	7.1	7.5	1993	11.2	1.8
1977	8.1	8.0			

Notes: a. Statistics Canada, The Labor Force.
b. Bank of Canada Review.

[3]For the various aspects of unemployment in Canada, see Gera, ed. (1991). Also, see Baldwin and Gorecki (1993).

1.2.2 RECENT TRENDS IN THE USE OF MACROECONOMIC POLICIES AND A ROLE OF PROFIT SHARING

In Canada unemployment is high and real Gross Domestic Product (GDP) per person is not rising. The federal debt has been growing. The debt becomes worrisome when it grows faster than the economy. The federal debt as a percentage of GDP began to fall at the end of World War II and continued to fall until 1975. It began to increase after 1977 and reached nearly 60 percent of GDP in the early 1990s[4]; although, the federal debt as a percentage of GDP is still much less than the 1945 immediate postwar peak when it exceeded 100 percent. However, the ratio is quite high for the peace-time period and the trend is particularly worrisome. By 1993, the combined federal and provincial debt was nearly 90 percent of GDP.[5] It is, generally, believed to be very large. This high ratio implies that government revenues have to be heavily committed to paying interest on national debt, and the government can not do much in terms of stabilizing the economy. Moreover, a large debt also makes the deficit highly sensitive to fluctuations in the interest rate.[6]

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[4]Source: Department of Finance, Quarterly Economic Review. Also, see Kneebone (1994).

[5]Source: Department of Finance, Ottawa, 1993.

[6]See Cebula and Hung (1992).

Although unemployment rate is also very high (see table I.1), both federal and provincial governments feel their budget deficits are so high that cutting them down ought to be their priority. The public also seems to be more concerned about deficit reduction than job creation. Therefore, instead of increasing their spending and cutting taxes, governments are doing just the reverse.[7] Thus, fiscal policy is being used to control budget deficits and reduce public debt rather than create more jobs to reduce the high rate of unemployment.

Before the recession of 1990, the Bank of Canada was pursuing its tight monetary policy to bring down the rate of inflation. After the recession, some economists expected that perhaps the bank could ease up on its tight monetary policy to mitigate the recession. However, the bank continued to pursue its tight monetary policy. The governor of the Bank of Canada reiterated that maintaining price stability is the bank's principal contribution to economic growth.[8]

There are some economists who are critical of the bank's policy of price stability. However, there are many others who support the policy. According to the supporters of the policy, the goal of maintaining price stability should be pursued on a regular basis to avoid substantial cost of

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[7]See The Financial Post, May 22-24, 1993. Also, see Devereux (1993), and Robson and Scarth, eds. (1994).

[8]See The Financial Post, June 10, 1993.

bringing down the high rate of inflation.[9]

The Bank of Canada may achieve its goal of zero inflation, in the short run. However, in the long run, when the economy is near its potential level of income and output, wage-push inflation may become strong.[10] According to some economists use of some form of income policy may be required to make a high level of employment compatible with zero inflation.[11] However, the use of income policy may lead to misallocation of resources.

The present study by examining the impact of a partial switch to the share system on the problem of inflation, opens up the possibility of using profit sharing to help the Bank of Canada maintain its goal of price stability with full employment, in the long run. Profit sharing may avoid the heavy costs of income policies in terms of administrative burdens and misallocation of resources.

Since fiscal policy is being used to reduce the budget deficit, and monetary policy is supposed to maintain price stability, it may be advisable to have a third policy that may be used to reduce the unemployment rate, which at present is

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[9]See Freedman (1991), Ammer and Freeman (1995), Johnson (1990), Rymes (1995), and Lucas (1989).

[10]See Campbell (1991), and Samanta and Breslin (1994).

[11]For a further discussion regarding the impact of income policy on the level of unemployment, see You (1982) and Zaida (1986).

very high.[12] Profit sharing through share-type labor compensation may motivate the individual firms to expand output and employment. Thus, the unemployment rate may be lowered on a permanent basis. Moreover, a share system may have anti-inflationary effects. It may, thus, help the Bank of Canada maintain price stability.

1.2.3 EMPLOYMENT RESTRUCTURING IN THE GLOBAL ECONOMY

These are revolutionary times in the global economy. In a climate of profound change, basic decisions about wages and working conditions are driven by global competitive pressures. The harsh reality of a global market is that policy failures are punished hard through currency movements, shifts in market share, and, ultimately, through fluctuations in employment and wage levels. During periods of major changes, economies go through major employment restructuring. Many old jobs are destroyed, and many new ones are created, which cause turmoil in the labor market and uncertainty for workers.[13]

Now the important question facing policy makers is how can policy choices help workers in periods of major changes? In other words, what can government do to speed the transition and ease the plight of displaced workers. One of the policy

---

[12]Recall Jan Tinbergen's counsel that one should have as many tools as the number of objectives to be achieved.

[13]See The World Bank (1995).

responses is to increase labor market flexibility. One of the most important reforms involves lifting constraints on wage flexibility. Employment restructuring can be undermined by inflexibility in relative wages. In order for wage structures to provide the right incentives for labor to move from less productive to more productive jobs, wages for different industries, occupations, and in different regions must be free to vary.[14]

One of the ways to introduce flexibility in the labor compensation is through profit sharing. Classical economists argued that flexibility of wage rate would push the wage rate to its "market-clearing" level so that unemployment would be eliminated. They concluded that rigid nominal wage-rates, as supported by labor unions, is the cause of unemployment. Keynes (1936) discussed the classical approach. He argued that labor may bargain on a nominal wage rate while demand for labor depends on the real wage rate that is the wage rate divided by the price level. If labor agrees to reduce the nominal wage rate (to increase demand for its labor and, thereby, reduce the unemployment) the total labor income may reduce. This reduction, Keynes concluded, leads to a lower demand for goods and, consequently, a lower price of goods so that the real wage rate (i.e., wage-over-price ratio) may remain the same as before with no change in unemployment. In this connection, share-type compensation produces flexibility

[14]See The World Bank (1995).

in the wage rate and, as shown in this study, this does not automatically lead to a higher level of employment. In particular, the extent to which employment could be affected by a switch to share system depends on 'share parameters' relating the wage rate to the on-going fixed wage rate in the economy on one hand, and to revenue per worker on the other hand. It is shown that some combination of share parameters lead to an even higher level of employment while some other combination reduce it. The mechanism by which these parameters are linked to these different results is mainly related to the total labor compensation, and thereby, aggregate demand in the economy. In this perspective, in this study, it is shown that aggregate demand in the economy still plays an important role while the way in which flexibility in wages is introduced makes it possible to expect positive effects on the employment in certain cases.

An alternative way to introduce wage flexibility is "optimal indexing" as discussed in chapter 2. Comparison of share-type compensation and optimal indexing is out of the context of present study. One of the complications in such comparison is that the latter method requires micro information (e.g., firm specific prices). The present study, examines the macroeconomic impact of a partial switch to the share system.

1.2.4 WAGE CONTRACT VERSUS SHARE CONTRACT

Under a wage contract, a worker's compensation is not directly tied to any firm-specific index; although, it may be adjusted by an economy-wide indicator such as consumer price index. On the other hand, under a share contract, a worker's compensation is directly and automatically adjusted by some index of the firm's well-being such as revenue per worker or profit per worker or product price. Profit is an accounting item so firms can easily manipulate it in accordance with their own interest and, thus, reduce the labor share drastically. Therefore, in the present study, I have decided to tie the variable part of labor compensation to revenue per worker.

The subtle difference between a share contract and a wage contract turns out to be crucially important for the relationship between the labor compensation per worker and the level of employment in the economy. Under a share contract, if more workers are hired, all employees are paid less, and if some workers are laid off or quit, the remaining employees are paid more. This is an indirect but important implication of a share contract. An increase in output, other things remaining the same, lowers the price of the firm's product. Thus, it causes a reduction in revenue per worker and profit per worker. Therefore, under a share contract, there is an inverse relationship between the firm's level of employment

and labor compensation per worker. On the other hand, under a wage contract, a worker's compensation is independent of the firm's employment level.

Since in a share system, a worker's remuneration varies inversely with the level of employment, the incremental cost of hiring an additional worker is less than the average cost. This arrangement of bringing down the marginal cost below average cost provides an incentive to the firms to increase employment and output whenever there is an increase in aggregate demand to support higher level of output and employment. Thus, a share economy (in relation to a wage economy) is more likely to operate near full capacity (see Epstein's, 1986).

An economy which is more likely to operate near full capacity is expected to exhibit less cyclical variability in output (see Weitzman, 1984a and Wadhwani, 1985). This is so because output remains close to full capacity or, equally, it deviates less from full capacity. However, if we relax the assumption that the share system necessarily operates close to full capacity then the argument of less variability in output does not follow automatically. In other words, the share system may or may not have less variability in output if we relax the assumption that it "always" operates close to full capacity. In this study, therefore, "output variability" and "output level" are both examined using simulation technique. One way of examining output variability is to look at

deviations of actual output from potential output and see how they respond to changes aggregate demand.[15] Thus, I want to test the following proposition to determine whether a share economy has less cyclical variability in output than a wage economy.

Proposition 1: Deviations of actual output from potential output are less responsive to changes in aggregate demand in a share economy than in a wage economy.

To compare the output variability of the two economies, I would compare the mean and standard deviation of actual output from potential output, with and without demand shock, for the two economies. A lower value of standard deviation indicates a decrease in output variability and vice versa. Also, a lower mean value for output gap indicates that the economy is getting closer to potential output and vice versa.

Since a share economy is expected to help absorb the unemployed workers, it gives the government more freedom to stabilize the value of money in relation to a wage economy. This is an indirect but significant anti-inflationary effect. The share system also has some direct anti-inflationary effects. In a share economy, which is expected to operate near full capacity, government aggregate demand management is less likely to influence real output (as output is more likely to be constrained by the maximum feasible amount) and more

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[15]See Wadhwani (1985).

likely to influence the price level (inflation). On the other hand, in a wage economy, which is expected to operate below full capacity, output is more likely to respond to aggregate demand policies such as monetary and fiscal policies. Moreover, prices are mark-ups over marginal costs (assuming the firms are monopolistically competitive), are less likely to respond to these policies (see Weitzman, 1984a and Wadhwani, 1985).

However, if the assumption that the share system necessarily operates close to full capacity is relaxed, then the argument that demand management policies are less likely to affect output and more likely to affect price level does not follow automatically. In a share economy, therefore, aggregate demand management policies may or may not have greater influence on inflation in comparison to a wage economy. Therefore, this study uses simulation technique to examine the effects of demand management policies on both the level of output and rate of inflation for both the economies.

A share firm's unit labor costs are inversely related to its level of output and, therefore, directly related to the price of its output (since output and prices are negatively related). Consequently, pay of workers in a share firm is indexed directly to the price of its output. Since all price changes now automatically show up on the cost side also, a share firm is less inclined to increase price and more inclined to decrease it in response to any given supply shock

such as wage-growth and import-price shocks (see Weitzman, 1984a and Wadhwani, 1985). However, a change in the price of the product also affects the level of output, employment and revenue of the firm. Therefore, the profitability of the firm is affected by both change in the cost of production, as well as change in the revenue of the firm. Hence, the argument that a share firm is less likely to increase price and more likely to decrease it in response to a supply shock, may or may not follow automatically. Therefore, in this study, simulation analysis is used to examine the impact of supply shocks on the level of output, employment, and rate of inflation for both the economies.

Thus, the propositions that I want to test to determine whether a share economy has less of an inflationary bias than a wage economy are the following:

Proposition 2a: The government aggregate demand management has greater influence on inflation in a share economy than in a wage economy.

Proposition 2b: Increases in average earnings and import prices have less influence on inflation in a share economy than in a wage economy.

To test these propositions, I am going to compare the wage economy with the share economy after giving four different shocks, namely, monetary policy shock, fiscal policy shock, wage-growth shock, and import-price shock.

Whenever there is unemployment in the economy, there is an incentive for a share firm to employ more workers if, and only if, the increase in employment is associated with an increase in aggregate demand to support higher level of output and employment. Thus, the critical thing to hold for the claim about the share economy is whether an increase in employment under the share contract increases the aggregate demand or not. Thus, it also becomes important to test the following proposition:

Proposition 3: Increase in employment leads to an increase in aggregate demand when an economy switches from a wage system to a share system.

For the share system to be of practical importance, its resistance to unemployment and inflation should be considered within the feasible range of the share parameters. The feasibility of the share arrangement is defined in terms of its political and economic acceptability. For a share arrangement to be politically acceptable it must keep the share of labor and capital as a percentage of private output more or less close to its (historically) acceptable level so that there is no strong opposition from either one of them. Based on the Canadian data (provided by the Statistics Canada), in the wage system in the long run, labour compensation in real terms is nearly 50 percent of private output. This does not necessarily imply that a share system would be rejected by labor, say, if total labor compensation

may increase due to a switch to the share system despite a decline in its share. However, stability of shares over time may indicate a potential resistance in altering them. During 1973-1983, which contained two oil-price shocks, labor share as a percentage of private output (SHL) ranged between 0.482 and 0.512. The standard deviation of it (SHL) during this period was only 0.008 reflecting a narrower range of variations in it on the average. For these calculations, I used annual figures so that seasonal variations can be removed. For the share system to be economically acceptable it must not lead to a significant decrease in the level of output and employment and/or a significant increase in the rate of inflation unless these are of priority importance in a given circumstances. In this study, I place emphasis on the economic feasibility of the share system. Thus, it becomes important that first the feasible range of the share parameters is determined and then its resistance to unemployment and inflation is considered within that range. While determining the feasible range of the share parameters, proposition 3, as stated above, shall be tested.

1.2.5 TECHNIQUE OF EVALUATION, THE EXTENT OF THE SWITCH, THE PERIODS, AND THE SCOPE OF ANALYSIS

There are basically four techniques of assessing effects of a particular policy. Simulation analysis is one of them.

In the present study, simulation analysis shall be used as it is the best among all the techniques available to assess the consequences of a particular policy such as profit sharing. However, it is important to note that there are some pitfalls in the use of simulation analysis (see chapter 4).

A profit-sharing contract can be written in many different ways. There may be arrangements where 100 percent of the labor compensation is tied to the firm's performance or there may be arrangements with many possible combinations of fixed and variable parts of labor compensation. In the present study, for various reasons I have decided to keep 80-90 percent of the labor compensation fixed and only 10-20 percent variable.

The changes made to reflect share-type compensation are so small that they are expected to have no impact on the parameters of the economic model used for simulation. It is believed that any excessive switch from a wage system to a share system may not be assessed by an econometric model developed on the basis of a wage system (Canadian) data.[16]

Moreover, in its early stages, the share-type income may not be exercised extensively, as there are problems in changing the way economy functions overnight. Also, in the initial stage, it may not be politically feasible to make any

[16]Although as mentioned earlier, in Canada, we already have share-type compensation in limited form so the existing models already have some mechanism of picking them up. Therefore, no major changes are required to handle them.

excessive switch from wage system to share system.

I am choosing three different periods to test the propositions. Although the period from 1973-1983 is a period of stagflation, the three simulation periods are different in terms of key economic indicators such as unemployment rate, inflation rate, and capacity utilization (see table I.2). By choosing them, it can be seen if a change in economic condition makes a significant difference in terms of what can be expected from a share economy.

Table I.2

Key Economic Indicators During Periods of Analysis

Period	Average Unemployment Rate(%)[a]	Average Inflation Rate(%)[b]	Capacity Utilization Rate(%)[c]
1973-1976	6.2	9.7	95
1977-1979	8	8.7	93
1980-1983	9.5	9.8	90

Notes:
a. Statistics Canada, The Labor Force.
b. Bank of Canada Review.
c. The capacity utilization rate was measured by calculating GNP gap as a percentage of GNP by using simulation results for the wage economy. The GNP gap as a percentage of GNP was five percent, seven percent and ten percent during the periods of 1973-1976, 1977-1979, and 1980-1983, respectively. For the data for GNP gap and GNP, see part A of the statistical appendix (tables 1.1, 1.2, 2.1, 2.2, 3.1, and 3.2).

Since this study, based on simulations, is the first of its kind, I want to keep the analysis simple and limit its scope. Therefore, I just want to test whether a partial switch to the share system can help reduce unemployment and inflation. I understand that the extent to which it can help to reduce them has both political as well as economic significance. However, to calculate that with precision, perhaps many more studies need to be conducted. Some studies may be conducted by trying different combinations of the share parameters for different industries or even different job categories. Some studies may be conducted by taking different periods such as pre-stagflation and post-stagflation periods. And to reflect fast-changing economic conditions different macro models may be used.

1.3 PLAN OF STUDY

In chapter 2, profit sharing is analyzed. Weitzman's proposal of profit sharing is discussed. The main propositions of his proposal are summarized. The general drawbacks of his proposal are discussed, and it is pointed out how the present study is intended to overcome many of them. Profit sharing is also presented as an alternative to mainstream supply-side policies. A comparison is made between profit sharing and optimal indexation. Profit sharing is also compared with classical full employment policy. The last part

of the chapter contains concluding remarks.

Chapter 3 reviews the literature on the macroeconomic effects of profit sharing. During the 1980s most of the literature on macroeconomic effects of profit sharing was related to Weitzman's proposal of profit sharing. Although during the 1990s the literature has taken new directions, still there are some publications relating to his proposal. Responses of other economists to his proposal are discussed. The results of some of the studies conducted to test the microeconomic effects of various profit-sharing schemes are compared with the hypotheses regarding the macroeconomic effects of profit sharing.

In chapter 4, the methodological concerns regarding testing profit sharing are discussed. Alternative approaches to evaluate a new policy proposal are examined. It is concluded that the simulation technique is the best among all the techniques available. However, some pitfalls of the simulation approach are also noted.

C-GENESYS model is discussed. It is pointed out why is it a good model to be used for my study. The details of the model needed to assess the simulation results are provided. The chapter discusses the relevance of C-GENESYS model for the share system of payment and points out the changes made to make it applicable to the share system.

In chapter 5, the feasible range of the share parameters is determined. This chapter also looks at the effects of a

partial switch from wage system to share system on the level of employment and aggregate demand. Thus, while determining the feasible range of the share parameters, proposition 3 (as stated above) is also tested. The two economies are also compared in terms of their output variability (by testing proposition 1), by looking at the mean and standard deviation of actual output from potential output, with and without a demand shock. To examine the relevance and consistency of simulation results, the effects of the switch on other variables of interest are also examined. At the end, a comparison is made between the two economies in terms of average labor compensation per worker.

In chapter 6, the propositions 2a and 2b are tested to estimate whether a share economy is more resistant to inflation than a wage economy. To test these propositions, the wage economy is compared with the share economy after giving four different shocks, namely monetary policy shock, fiscal policy shock, wage-growth shock, and import-price shock.

The major findings of this study are summarized in chapter 7. The implications of these findings are discussed both for policy purposes, as well as for the direction of future research on profit sharing. While discussing the implications of the findings, some of the limitations of this study are examined. At the end conclusions are presented.

1.4 ORIGINAL SCHOLARSHIP AND AN ADVANCEMENT TO KNOWLEDGE

The following elements of the study are considered to be original scholarship and an advancement to knowledge in the domain of this research. So far the research on the issue has been predominantly theoretical. For the first time, simulations are used to estimate the macroeconomic effects of profit sharing for the Canadian economy. By using a Canadian macro model and Canadian data for the period of stagflation from 1973-1983, an estimation of the following is provided:[17]

(1) The determination of the feasible range of the share parameters for the Canadian economy.

(2) Effects of a switch from the wage system to the share system on the level of employment and aggregate demand.

(3) Importance of aggregate demand in maintaining higher level of output and employment.

(4) Mean and standard deviation of output gap for the share economy in comparison with the wage economy.

(5) Effects of a switch from the wage system to the share system on the average labor compensation per worker.

(6) Effects of demand management policies on the rate of inflation in the share system in relation to the wage system.

(7) Effects of supply shocks (e.g., wage-growth and import-price shocks) on the rate of inflation in the share

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[17]The significance and the limitations of these estimates are discussed in chapter 7 of the thesis.

system in relation to the wage system.

(8) Effects of all the shocks under different cases when workers are given more and more share-type income.

CHAPTER II

PROFIT SHARING: AN ANALYSIS

2.1 INTRODUCTION

The Canadian economy has been experiencing high rates of unemployment with inflation. The profit sharing as a macroeconomic policy instrument may be useful in terms of controlling them.

Weitzman's contribution generated considerable discussion of the macroeconomic effects of profit sharing. His proposal of profit sharing is discussed in part two of the chapter. The general drawbacks of his proposal are presented, and it is pointed out how the present study is expected to overcome many of them. Profit sharing as an alternative to mainstream supply-side policies is presented in part three of the chapter. The optimal indexation rule is discussed, and compared with profit sharing in part four of the chapter. Profit sharing is compared with Classical full-employment policy in part five of the chapter. Concluding remarks are presented in the last part of the chapter.

2.2 PROFIT SHARING AND WEITZMAN

This section examines Weitzman's analysis of the macroeconomic effects of profit sharing.[18] His proposal was instrumental in generating considerable interest at the time. This section also discusses how my study tries to overcome some of the limitations of Weitzman's analysis.

2.2.1 THE MAIN PROPOSITIONS

Long run: In long-run equilibrium, the fundamental rules of resource allocation are the same, regardless of the system of compensation.[19] In long run, workers of the same skill level must be paid the same compensation, which is equal to their common marginal values to the firms. If they are not paid the same, there will be a migration of workers from low-paying to high-paying firms. In the long run, share firms equilibrate at positive excess demand for labor, while wage firms equilibrate at zero excess demand for labor.[20]

Short run: The two systems of compensation are different in the short run. A share system maintains full employment,

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[18]The main statement of Weitzman's views is in his popular book, The Share Economy (1984a) and the technical arguments are developed in a series of articles (1982, 1983, 1984b, 1985a, 1985c, and 1987).

[19] For the proposition, see Weitzman (1983). Also, see Weitzman (1984a, PP.89-91).

[20]For the proof of this proposition, see Weitzman (1983).

while reacting to small disturbances. A wage system responds to deflationary shocks by creating unemployment in the short run. Suppose there is a mild decrease in the demand for a firm's output. In the share system, where marginal cost is less than average cost, a share firm's reaction to this decline in demand will be to maintain the level of employment and output by lowering the price of the product.[21] The workers will not be laid off. A wage firm's reaction to this decline in demand for its product is strikingly different. A wage firm will react to this decline by lowering the level of employment and output, with vague effects on price. However, if the decrease in the demand for the firm's product is permanent, then the long-run adjustment of both wage and share systems will be identical. Both systems would require the firms to employ fewer workers and produce less. Nevertheless, the management of the transition period is better under the share system than under the wage system.

Inflationary bias: For both direct and indirect reasons, a share economy has less of an inflationary bias than a wage economy.[22] In a share economy, which is more likely to operate near full capacity, government is relatively more free to stabilize the value of money, without having to worry much about the negative effects on unemployment. There are some

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[21] For this proposition, see Weitzman (1983) and Weitzman (1984a, chapter 1 and 8).

[22] For a further discussion of this proposition, see Weitzman (1984a, PP. 111-117).

direct, anti-inflationary effects also of a share system. Since a share firm's unit labor costs are inversely related to its output and employment and, therefore, directly related to the price of its output (as output and its price are inversely related), it reacts to a supply shock (e.g., import-price and wage-growth) by maintaining the same level of output, employment, and price. On the other hand, a profit-maximizing wage firm reacts to the shock by laying off workers, reducing output, and increasing price.

No adoption of a share system on a voluntary basis: According to Weitzman (1984a), there are many macroeconomic benefits of switching to a share system such as increase in employment and decline in inflation. However, individual firms and workers are not able to seize them. These benefits are like clean air, as they are spread throughout the community. He concludes that we can not expect a wide spread adoption of a share system on a voluntary basis. Public policy measures could be taken to induce firms to adopt share-type compensation system. Government should try to make the basic rationale of the share system familiar and acceptable to most of the people in the society so that an operational incentive structure can be put in place.

2.2.2 WEITZMAN'S MODEL: A MATHEMATICAL FORMULATION

Weitzman has employed a simple macroeconomic model to investigate the main properties of a share economy.[23] The model is used to contrast a share system with a wage system. In particular, the model is used to indicate how an economy based on profit-sharing principles is immune to unemployment and inflation, and by contrast, the economy based on wage system is prone to suffer from them. Moreover, he has made an attempt to analyze and contrast the policy implications for aggregate-demand management under alternative compensation systems.

It is assumed that the economy under consideration consists of three types of agents. There are n monopolistically competitive firms, each producing a different product, indexed $i = 1,2,\ldots,n$, where n is assumed to be a large number. The second type of agent is the households, indexed $h = 1,2,\ldots,H$, where $H >> n$. The third type of agent is an autonomous government sector. The government sector makes purchases, taxes households, and has an exclusive franchise on the creation of money.

All the relevant information about aggregate demand can be summarized by the following equation:[24]

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[23]For the further details of the model, see Weitzman (1985c).

[24]The derivation can be found in Weitzman (1985c).

$$Q = AG + B(M/P), \quad (1)$$

where Q is aggregate real output, G denotes government total spending on goods and services in real terms. M stands for money balances of all the households at the beginning of the period under consideration. P denotes aggregate price level. A and B are multipliers for government expenditures and real cash balances, respectively.

The relationship in equation (1) is based on the assumption that buyers are able to buy all that they want at prevailing prices. The n different goods are assumed to be produced by the same production technology. The total supply of labor is assumed to be fixed exogenously at L*. The following production function shows production of

$$Q_i = x(L_i - f), \quad (2)$$

where Q_i is output of firm i, L_i is employment in firm i, x is the marginal productivity of an extra worker and varies as L_i changes, and f is the fixed amount of overhead labor which must be employed to produce any output at all. In any symmetric situation, aggregate output (Q) can be written as:

$$Q = x(L - F) \quad (3)$$

where L is aggregate employment in firms ($L = nL_i$). F is aggregate fixed amount of overhead labor ($F = n.f.$).

If L* represents the total supply of labor, which is assumed to be inelastically supplied by households, then the following condition must be satisfied in the aggregate:

$$L \leq L^* \quad (4)$$

The condition in (4) also implies that

$$Q \leq Q^*, \tag{5}$$

where Q* stands for potential aggregate output which can be represented as:

$$Q^* = x(L^* - F). \tag{6}$$

Comparison of Share System and Wage System in Short Run

Weitzman has used the above-described model to illustrate his basic proposition that in the short run, a wage system is more prone to unemployment and inflation than a share system. Let us consider the wage system first. Suppose, in the short run, the money wage rate (w) is exogenously fixed. A profit-maximizing firm makes marginal revenue equal to marginal cost if the availability of labor is not a binding constraint. This, in the aggregate, implies,

$$P = gw/x, \tag{7}$$

where g is the mark-up coefficient for each firm. Now, using the aggregate demand schedule (1), the desired or target output denoted by Q′ would be given by

$$Q' = AG + B\,(Mx/gw). \tag{8}$$

The tension or the tautness of the wage system is defined as follows:

$$T = Q' - Q^*, \tag{9}$$

where T indicates difference between desired output and potential output (Q*). And T > 0 is a region of positive

excess demand for labor. The behavior of Q and P can be summarized as follows:

The Value of Main Macroeconomic Variables in the Short Run

Variable	T < 0	T > 0
Q	AG + B(Mx/gw)	Q*
P	gw/x	BM/(Q* - AG)

When T < 0, prices are simply mark-ups on the marginal cost and are not affected by the government policy. The prices can only be affected through wages. However, output is affected directly by changes in G and M. On the other hand, when T > 0, output is constrained by the maximum feasible amount Q*, and the aggregate-demand condition (equation 1) above determines the price level P. In this region, government aggregate-demand management has no influence on real output, but does influence the price level directly. According to Weitzman, for a wage system in the short run, the relevant region is the region where T < 0.

In a share economy, labor compensation per worker in firm i, w(Li), is given by[25]

[25]For the formula, see Weitzman(1985c).

$$w(L_i) = w^* + c\{R_i(L_i) - w^* L_i\}/L_i, \quad (10)$$

where Ri(Li) is the total revenue as a function of labor, Li is employment in firm i. w* is the base wage and is assumed to be a fraction, h of that in the wage system. And h is base wage coefficient. And c > 0 represents the revenue-sharing or profit-sharing coefficient. The pay parameters (w*, c, and h) are treated as exogenously fixed in the short run. The net profit can be written as follows:

$$\Pi_i(L_i) = (1-c)\{R_i(L_i) - w^* L_i\}. \quad (11)$$

If an unlimited amount of workers are available, the firm would desire to hire more workers up to the point where

$$dR_i(L_i)/dL_i = w^*; \quad (12)$$

whereas, in the wage economy marginal revenue product is made equal to w. Therefore, it can be concluded that the analysis of the determination of output (Q) and the price level (P) is similar to that of the wage economy, with only one difference. w needs to be replaced with w* in expressions given above. If w** is the market-clearing wage (where T = 0) and

$$w^* < w^{**} < w,$$

then we shall have the wage economy operating in the region T < 0 and the share economy in a region of positive excess demand for labor, where T > 0. These are the main propositions of Weitzman's analysis. It is clear that in a wage economy (where T < 0), where prices are simply mark-ups over marginal cost and do not respond directly to government policies, output does respond to aggregate demand policies.

On the other hand, in the share economy where output is fixed at the full employment level, prices do respond to stabilization policies. A share economy is, therefore, more likely to resist unemployment and inflation.

2.2.3 SOME GENERAL CRITICISMS OF WEITZMAN'S PROPOSAL OF SHARE ECONOMY

Long run in Weitzman is an assumption only. Short-run deviations from such long-run positions are also subject to such assumption. In all his analysis, he is referring back to partial equilibrium analysis of a firm, in which demand facing a firm is independent of the compensation system of the firm (or labor income in that firm). At the macro level, demand shifts as the level of employment changes, and any temporal equilibrium position depends on the compensation system. For example, suppose we start at Weitzman's "full employment" economy and there is a downward demand shock. In his model, the demand facing a firm is shifted to the left, but it is still independent of the labor compensation, so that the firm may reduce price and hire more labor at lower marginal (and average) cost, instead of reducing employment until the economy goes back to full employment (yet by assumption). In reality, if the compensation system is such that total labor income is reduced by that reduction in average cost of labor (and this is followed by all firms), then aggregate demand is

expected to fall further and push the economy further away from the full employment position. Thus, there are the following basic problems in Weitzman's analysis:

(1) His partial equilibrium analysis at a firm's level may not be generalized to the economy as a whole because demand is dependent on labor compensation.

(2) His assumption of returning to full employment after a demand or supply shock may not be practically valid. In fact, some combinations of the share parameters may lead to greater deteriorations of the economy in the presence of such shocks. If the share parameters are such that the share of labor as a percentage of private output is reduced as a result of the switch to the share system, then a further deterioration of the economy is expected (the simulation results support this).

(3) Weitzman has used a theoretical model to make his claim about the share economy. The model, like other theoretical models, ignores many aspects of real life situations. Thus, many practical factors have been left out from Weitzman's analysis.[26] The following are the important practical factors left out from his analysis:

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[26]As detailed in chapter 4, in order to assess the impact of a partial switch to the share system on the problems of unemployment and inflation in Canada, it is important that a macro model is used that incorporates practical factors of the economy in its structure. The C-GENESYS model is a macro model which has been adjusted for practical factors. Unlike Weitzman's theoretical model, the C-GENESYS model reflects many aspects of a real-life situation.

(a) Weitzman's model is a static model. There is no lag structure, implying that a change in an independent variable would cause an immediate, and once-for-all, change in a dependent variable.

(b) His model is very aggregated as it does not take into account subsections or subsectors of the economy. Weitzman has lumped together the various categories of consumption expenditure, demand for money, etc. These different categories are determined by very different factors; therefore, a separate analysis must be given for them.

(c) Weitzman's model lacks the stock of capital as a dynamic factor of production.

(4) Weitzman's analysis is also of a short-run nature in the sense that labor productivity parameters, and the average and marginal cost curves are for a fixed stock of capital. A full analysis of a share economy, in comparison with a wage economy, may not disregard the long-run implications of such alternative compensation systems through changes in the stock of capital. In Weitzman, it is "assumed" that in the long run, an economy is at full employment and that the resource allocation is independent of the labor-compensation systems. As noted above, this is only an assumption in the sense that such a "full employment" situation may be unstable and its stability depends as well on the compensation parameters. Clearly, the only way of incorporating the long-term factors in the analysis would be to use a dynamic model of the economy

(such as the one to be used in the present simulation analysis).

2.3 PROFIT SHARING AS AN ALTERNATIVE TO MAINSTREAM SUPPLY-SIDE POLICIES

Profit sharing as a cure for unemployment and inflation is a supply-side policy by its nature, and it is being recognized as being so.[27] Profit sharing, as in supply-side economics, tries to achieve higher level of output and employment at a lower price (or inflation) by shifting the supply curve to the right. Profit sharing tries to do so by affecting the micro-aspect of a firm.

In the "mainstream" supply-side economics tax-breaks, deregulation, and reliance on market forces are the main policy tools. On the other hand, in profit sharing, share-type compensation system is the main policy tool for inducing firms to expand output and employment. In short, profit sharing has the same objective as in the "mainstream" supply-side policies, that is, shifting the supply curve to the right, while the policy tool for achieving such an objective is different.

Profit sharing is also different from "mainstream" supply side economics in terms of its effectiveness. A sharing

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[27]For example, see Standing (1988) "... profit sharing... becoming part of the "supply-side" approach to economic policy."

scheme directly changes the incentive of profit-maximizing firms to hire labor. On the other hand, the tools of the "mainstream" supply-side policies only have an indirect effect on the output and employment decisions of a profit-maximizing firm.

2.4 PROFIT SHARING AND OPTIMAL WAGE INDEXATION RULE

In recent years, macroeconomic literature has taken a new direction. Now, some economists talk about optimal indexation as a way to achieve full employment. In this regard, two models of optimal indexation are discussed: Blanchard model (1979), and Duca and Vanhoose model (1991). Whereas Blanchard model is based on only aggregate variables, Duca and Vanhoose model is based on both aggregate as well as disaggregate variables. The optimal indexation rule is also compared with profit sharing.

2.4.1 BLANCHARD MODEL

Blanchard (1979) examined the determinants and macroeconomic consequences of wage-indexing rules. In short run, the capital stock is fixed so that changes in the cost of capital are unlikely to have much effect on the capital stock. Therefore, uncertainty mainly comes from supply conditions of the variable inputs, consisting of materials and labor, and

the demand conditions for the output. The optimal indexation in this model is obtained by making demand for labor equal to supply of labor.

A typical labor contract, he argues, lasts for 3 years, and indexation usually means adjusting the wage rate to unexpected changes in relevant economic variables. Accordingly, all the variables in Blanchard's model are expressed in terms of relative deviation from their expected values. Following this rule, the optimal indexation formula in his model can be expressed as:

$$W = P + nq \qquad n < 0 \qquad (1)$$

where W, P, and q are relative deviations of wage, product price, and raw material price, from their expected values, respectively. n is a constant that depends on the parameters of labor demand and supply equations.

Blanchard argues that, in practice, firms may use a restricted rule because of information cost associated with using the unrestricted wage rule discussed above. The restricted rule can be written as:

$$W = mp, \qquad (2)$$

where m is the degree of indexation.

In choosing the optimal restricted indexing rule, the goal of the firm and union is to choose the degree of indexation which minimizes the expected squared deviation of

employment from the ex-post market-clearing level.[28]

The gain (G) in using a restricted, rather than unrestricted rule is the cost of including raw material prices in the rule (b) minus the efficiency loss, denoted by $aE(e-e^*)^2$:

$$G = b - aE(e-e^*)^2 \qquad (3)$$

where e is demand for labor under restricted rule, e^* is demand for labor under unrestricted rule, and a is a positive constant. E(.) stands for expectation of (.). There is a value of m, m^* say, for which maximum value of G, G^* say, is achieved. Blanchard concludes that if G^* is greater than zero, then a restricted indexation will be adopted.[29] If so, we may have following cases:

(1) When there is no correlation between the material and product price, the protection provided by the indexing is against product price changes ($m^* = 1$).

(2) When a positive correlation between the material and product prices exists, less than full indexing occurs ($m^* <$

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[28]The market-clearing level of employment is clearly the outcome, if an unrestricted indexing rule is used.

[29]The relationship between the observed incidence of indexation and degree of indexation among contracts with cost of living adjustment clauses has been examined by Ragan (1989) using Canadian manufacturing data. The study did not support the testable prediction of Blanchard's model that degree and incidence of indexation are independent of each other. Moreover, considerable evidence was found in favor of Heckman (1974) selection framework in which an indexed contract will be observed if, and only if, the desired degree of indexation exceeds some "cut-off" degree.

1). This leads to a (desired) decrease in the real wage and less fluctuations in employment than under a constant real wage. This conclusion follows an assumption that the cost effect of a rise in raw material price outweighs its substitution effect, resulting in a lower demand for labor, if the real-wage rate is not reduced.[30]

2.4.2 DUCA AND VANHOOSE MODEL

Duca and Vanhoose (1991) point out that much of the literature on wage indexation considers a purely aggregative economy and, consequently, focuses upon indexation to aggregate variables such as economy-wide inflation (e.g., Gray, 1976, and Fethke and Jackman, 1984), and unanticipated innovation in economy-wide output (e.g., Karni, 1983).

According to Duca and Vanhoose (1991), in practice the existence of sector-specific productivity disturbances creates terms of trade effect between sectors that can not be offset fully through indexation to aggregate variables only. They demonstrate this point by exploring indexation in a two-sector economy, where one sector (non-classical) has wage contracts and the other (classical) has a Walrasian labor market. Optimal indexation based on full information, in this context,

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[30]Card (1986) also shows that the response of the index, linking wages to aggregate-price increases, depends on the information that the aggregate prices convey, for the market-specific prices of interest, to the bargaining parties.

is defined as a wage contract which is consistent with full-information market-clearing level of output, in the nonclassical sector. Such indexation is shown to depend on unanticipated changes in consumer-price index, and nonclassical sector product price, as well as aggregate-and nonclassical-sector productivity disturbances.[31]

2.4.3 PROFIT SHARING AND OPTIMAL INDEXATION

Duca and Vanhoose argue that, in practice, an indexation formula based on aggregate-price innovations and firm-specific profits is easier to implement, because firm-specific productivity shocks can be difficult to measure in isolation. Moreover, this form of wage indexation is consistent with the combined economy-wide inflation indexation and profit-sharing arrangements observed in modern multi-sector economies. Another implication of this approach, they argue, is that the degree of indexation to profit rises as the elasticity of labor demand in the nonclassical sector increases. In other words, profit sharing becomes more common in sectors with higher labor-demand elasticities.

Duca and Vanhoose (1991) argue that if indexation is based on price index or profit alone, then misallocation of

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[31]The authors also show that as the weight of nonclassical sector in the economy grows, wage settlers in that sector place less weight on the classical-sector goods in CPI. This is consistent with empirical results of Fethke (1985) and Kaufman and Woglom (1987).

resources may occur. I notice that the latter result is not necessarily in conflict with profit sharing. I recall that in profit sharing, wages consist of a fixed component and a variable component. Although the variable component is indexed to revenue, the fixed component may well reflect aggregate price and productivity changes over time (as is the case in the simulations to be performed in this study). Whereas, the degree of indexation to profit, in Duca and Vanhoose's approach, is linked to elasticity of labor demand, profit sharing does not imply any apparent restriction in this regard, except when the desirability of the share contracts by labor unions and firms is discussed (see Weitzman, 1984a). For Weitzman, this is a question that can be dealt with using government (tax or grant) incentives. In the present study, various combinations of share parameters are explored, and implications of each combination for related economic variables are examined.

2.5 PROFIT SHARING AND ITS COMPARISON WITH CLASSICAL FULL EMPLOYMENT POLICY

Both Classicals (or neoclassicals) and profit sharing suggest flexible wages to achieve full employment. However, the mechanism is different, and effects are not exactly the same. According to (neo) classical economists, as long as wages are flexible, there will be full employment in the

economy, i.e., demand for labor will be equal to supply of labor. Even if there is unemployment in the economy, it is temporary; soon there will be adjustment due to wage flexibility.[32]

Profit sharing is more concerned with the behavior of a firm. It tries to achieve wage flexibility by linking the labor compensation to well-being of a firm, rather than trying to clear the labor market directly (as is the case in neoclassical theory). Thus, in the share system, it is a micro decision; whereas, in classical theory, it is a macro decision. Moreover, the objectives are also not exactly the same. In classical economics, wage flexibility was considered to be sufficient to clear the labor market. In contrast, profit sharing suggests share-type labor compensation as an incentive for firms to increase output and employment.

The point that wage flexibility is sufficient to clear the labor market was criticized by Keynes, in the General Theory. Keynes argued that both demand for labor and supply of labor depend on real wages, which is the ratio of nominal wages to the price level in the economy. In the event of a decline in nominal wages, labor income and, thereby, demand facing the firms may fall, leading to a reduction in prices. This way the real-wage rate may go back to what it was before the reduction in the nominal wages. Consequently, demand for,

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[32]For further details, see Blatt (1981) and Stein (1981).

and supply of, labor, and unemployment may not change.[33]

The flexibility of share-type income has its effects directly on the firm's decision to enhance output and employment. Such higher levels of output and employment can be maintained if total labor income and, thereby, demand facing the firms are increased by the same amount.

Same as (neo) Classical economists, Weitzman also failed to realize the importance of aggregate demand in affecting the demand for labor. One of the contributions of the thesis is to find out those combinations of the share parameters for which such increase in employment and output could be maintained by higher demand.

2.6 CONCLUSION

In this chapter profit sharing was analyzed. A summary of Weitzman's proposal was presented. In brief, he presented a cure for the problems of unemployment and inflation. On the basis of a theoretical model Weitzman concluded that a share economy is less prone to unemployment and inflation than a wage economy. Some general criticisms of his proposal were discussed, and it was pointed out how the present study is expected to overcome some of them.

Profit sharing was presented as an alternative to "mainstream" supply-side policies. It was pointed out that

[33]See, Grandmont (1987), Crossley (1988), and Budd (1986).

profit sharing has the same objective as the "mainstream" supply-side policies, that is shifting the supply curve to the right, while the policy tool for achieving such objective is different. It was also noted that profit sharing is different from "mainstream" supply-side economics in terms of its effectiveness. Whereas, profit sharing directly changes the incentive of profit-maximizing firms to hire labor, the "mainstream" supply-side policies affect the output and employment decisions of them indirectly.

The optimal wage indexation rule, as discussed by Blanchard (1979), and Duca and Vanhoose (1991) was presented, and its comparison was made with profit sharing. In particular, it was noted that a wage indexation formula based on aggregate, as well as firm-specific factors, is consistent with both economy-wide inflation indexation and profit-sharing arrangements.

Profit sharing was also compared with the Classical full-employment policy. It was pointed out that both Classicals and profit sharing try to achieve full employment through flexible wages. However, the mechanism is different, and the effects are not exactly the same. Whereas, Classicals try to clear the labor market through wage flexibility, profit sharing suggests share-type labor compensation to encourage firms to increase output and employment. Moreover, a reduction in money wages may not have any effect on demand for, and supply of, labor and, hence, on the level of

employment in the economy. On the other hand, the flexibility of share-type income has its effects directly on the firm's decision to enhance output and employment.

CHAPTER III

THE MACROECONOMIC EFFECTS OF PROFIT SHARING: LITERATURE REVIEW

3.1 INTRODUCTION

Profit sharing as a macroeconomic policy instrument aroused considerable interest after the publication of Weitzman's book on profit sharing in 1984. Although during the 1990s there are still a few publications relating to Weitzman's analysis of profit sharing, the literature has taken new directions. Optimal indexing is one of them (see chapter 2). Recently the idea of optimal profit sharing has emerged (see Gottfries and Sjostrom, 1995). My study based on simulations is very different from most of the research done on the issue so far, which is predominantly theoretical.

The literature on the macroeconomic effects of profit sharing is reviewed in part two of the chapter. The results of some of the studies conducted to test the microeconomic effects of various profit-sharing schemes are compared with the hypotheses regarding the macroeconomic effects of profit sharing. Concluding remarks are presented in part three of the chapter.

3.2. THE LITERATURE REVIEW

3.2.1 THE SHARE ECONOMY AND UNEMPLOYMENT

According to Epstein (1986), since the cost of an additional worker to the company is lower under the share system than under the wage system, a share firm has renewed incentive to recruit more people.

However, the critics of profit-sharing arrangement do not think that a switch from a wage system to a share system can decrease unemployment. McLennan (1986) points out that while making the claims about share economy, Weitzman has ignored the fact that about one-third of the unemployed in the United States are either deficient in education, training and experience; or structural changes in demand have rendered their existing skills and experience obsolete. Therefore, he argues, employers must either incur extra hiring expenditures on training them or accept low productivity workers. The marginal cost of hiring extra workers may become equal to marginal revenue before there is much decrease in the current unemployment rate. Shapiro (1986) points out that if a firm in the share system can ignore the compensation constraint in the short run, it would like to hire more workers. However, he argues, the firm would not do so because that would lower its capital stock and thereby capital output ratio. He adds that low capital-output ratio means lower productivity so that

compensation will be too low to attract new workers.

According to Meade (1986a, 1986b), in a revenue-sharing or profit-sharing system, where more workers are hired at the cost of the lower pay for existing workers (insider worker), there is a strong likelihood of a conflict between workers and management on the question of employment. On the other hand, he argues , discriminating labor-capital partnership (DLCP), by allowing a multi-tier pay structure, avoids the problem. A DLCP firm can hire extra workers (outside workers) at a lower rate of compensation, without lowering the pay of existing workers. Thus, discriminating labor-capital partnership is expected to have a more favorable effect on the level of employment.

Weitzman's proposal could cause deep depression. As indicated by our experience during the great depression of the 1930s, wage cuts reduced income and purchasing power and, therefore, caused further economic stagnation (Oswald, R.A., 1986). According to Rothschild (1987), Weitzman's strong claim about profit sharing is based on the neoclassical assumption that all Keynesian unemployment is due to wage rigidity. It is important to note that there are some other factors responsible for Keynesian (and also structural) unemployment such as deficiency of effective demand and problem of uncertainty. If there is a deficiency of effective demand, he argues, the share economy can run into the problem of unemployment just as much as (though not to the same

extent) a wage economy.

According to Bradley and Smith (1987), an examination of the share-shift effect of income-sharing firms shows that an increase in the share parameter leads to an increase in employment and output. According to Nuti (1988), the alleged benefits of profit sharing such as full employment and excess demand for labor are exaggerated. He points out that a closer examination of these benefits shows that for various reasons, excess demand for labor can not persist at full employment. Moreover, it is reasonable to expect an introduction of codetermination with the full and persistent over-full employment. An introduction of codetermination, he argues, would change labor demand through restrictive employment policies preferred by employed workers.

Cugno and Ferrero (1988) compares Weitzman's share system with the so-called free-access system. They point out that in the free-access system, firms are obliged to hire workers upon request. The macroeconomic properties of the two systems are similar, in the sense that their disequilibrium behavior is identical. As opposed to a free-access system, they argue, in a share system, firms and employed workers may form a coalition against the unemployed and, thus, cause Weitzman's "Vacuum-cleaner effect" to vanish.

Age (1988) points out that instead of creating noninflationary full employment and a permanent excess demand for labor, a share firm may aggravate the problem of

unemployment, inflation or balance of payment deficits. For example, increase in price of raw materials has a much stronger inflationary impact on the share economy than on the wage economy, especially if the share income constitutes a large part of total labor compensation. According to him, a share economy as a cure for stagflation works only if the problem is to increase demand without inflation.

Standing (1988) points out that a share system may have useful effects on employment because of the tax incentive which serves as employment subsidy. However, he argues, it would further promote dualism, as the beneficiary of the revenue-sharing would try to prevent others from benefiting from it. Rubel (1989), points out that the assumption of risk-averse employees, which is not unusual in labor-market theory, implies that in case of excess demand for labor, the base wage will rise and, thus, cause a reduction in the excess demand.

According to Wagner (1989), the weak point of the share economy in terms of resolving the problem of unemployment is its micro-foundation. However, if it can be implemented successfully, it may well be able to reduce the average rates of unemployment and inflation. Gui (1988) points out that the share system can be used to lower the cyclical unemployment, but not the structural unemployment, which seems to be the major form of unemployment faced by the societies.

How strong would be the impact of profit sharing on employment depends upon whether profit shares act as a complement to, or a substitute for, wages. According to Weitzman, for a given level of total cost, profit share lowers the marginal price of labor and, thus, stimulates employment. The use of a German Socio-Economic Panel to examine individual level profit-sharing decisions shows that wage and non-wage variables are positively related to both individual participation and share. These payments are of complementary nature and, thus, do not support major employment creating potential of profit shares (Hart and Hubler, 1991). According to John (1991), the ability of a share economy to absorb adverse shocks without generating unemployment is not strong in relation to changes in the specification of the labor market. In the presence of elastic short-run labour supply, inside workers, or efficiency wages, he argues, there may be more fluctuations of employment at share firms than at wage firms. According to Cugno and Ferrero (1991), Weitzman's claims about profit sharing are really overclaims. A more traditional instrument like employment subsidies involve disbursement of a fixed amount of money on the basis of fixed levels or increments of employment. They admittedly have a more modest performance. However, they argue, it is possible to devise a particular subsidy scheme that stabilizes employment in an automatic fashion, in the event of a decline in demand.

Koford and Miller (1991) point out that in both the economies, the equilibrium unemployment would be the same. In case of an increase in labor supply, both share-firm and wage-firm adjust their output levels. In some cases, share-firm can make smaller adjustment and lead to a higher level of unemployment. In case of demand shocks in general, it is not clear which economy will be more stable. However, they argue, in some special situations, the reaction in both economies will be the same. Eckalbar (1992) points out that a comparison of wage-system model with the share-system model also reveals that, contrary to Weitzman's findings, both systems are susceptible to a demand shock.

A theoretical analysis of profit sharing indicates that a small-scale introduction of share contracting reduces cyclical unemployment. However, it lowers cyclical average profit compared to a fixed-wage regime (Morton, 1994).

3.2.2 THE SHARE ECONOMY, EXCESS DEMAND FOR LABOR AND WORKERS' PARTICIPATION

Nuti (1987) points out that one of the assumptions on which Weitzman has based his claim is that there is a lack of participation by workers in any area affecting employment. One can think of lack of participation by workers in the presence of persistent unemployment. But when there is full employment or excess demand for labor, he argues, such kind of

exclusion will be impossible in the absence of an authoritarian or military regime. Once workers have a say on output, employment and pricing, they are likely to adopt restrictive employment policies in order to prevent the dilution of their own shares.

According to Bonin (1988), if workers are to be excluded from decision making, as required by Weitzman, the very property which leads to most of the short-term benefits claimed for the share economy would result in a tendency for the firm's management to discriminate against currently employed workers by paying more to newly employed workers. Hence, he argues, workers' participation in decision making must be an essential ingredient in any sharing arrangements.

Nordhaus (1988) points out that Weitzman's claim that a share economy leads to excess demand for labor is based on his assumption that the market compensation constraint is binding in the long run but can be ignored in the short run. By making the above assumption about long and short run, he argues, Weitzman combines the perfect mobility of workers in the long run with perfect immobility in the short run, without providing any rationale for doing so. Moreover, he adds, Weitzman's analysis of a share economy for the short run lacks a detailed specification of labor supply. When a number of models incorporating the missing labor-supply constraints are examined, the excess demand for labor property evaporates.

3.2.3 PROFIT SHARING AND MACROECONOMIC EXTERNALITIES

Macroeconomic externalities are powerful reasons to consider profit sharing as an economy-wide policy instrument. Profit-sharing contracts can increase output and lower the prices (Weitzman, 1984a, 1986a, and 1986b). As an additional worker is hired by a firm, the profits and the demand for other firms' products are also increased. Thus, increase in employment of share-firms sets in a multiplicative process of income (Cooper, 1986). As employers' profits increase, they pay more to labor. Increase in payment to labor causes an increase in consumption expenditure. In turn, firms' profits are increased, and thus, the process is repeated (Francescutti, 1991).

As employment and output increase, firms facing downward-sloping demand curves have to lower output prices in order to sell more. Since all price changes automatically show up on the cost-side also, a share firm is not motivated to increase them. Thus, a share economy is likely to be vaccinated against cost-push inflation (Weitzman, 1984a, 1986a). There is usually agreement among critics of profit sharing that macroeconomic externalities are strong arguments in favor of profit sharing. However, Tobin (1986) points out that sectoral labor markets may differ in the adjustment required to balance supply and demand. When labor compensation rates increase faster in excess-demand sectors than they decrease in

excess-supply sectors, the price level in the economy goes up. Tobin argues that this situation is just as likely to prevail in the share system as in the wage system.

3.2.4 PRODUCTIVITY, INVESTMENT AND SAVINGS IN A SHARE ECONOMY

Productivity: Blinder (1986b) argues that the workers with greater job security in their current employment and a greater stake in the success of their firm are expected to work harder and more efficiently. They may even be less opposed to labor-saving technical change. He points out that perhaps this is one of the secrets of Japan's industrial success. According to Epstein's (1986), a share system through accumulation of more and better capital would increase productivity. However, the critics of profit-sharing arrangement have expressed their doubts about its ability to increase productivity.

As opposed to profit sharing, discriminating labor-capital partnership removes the conflict of interest between employers and employees, and by doing so makes it possible for workers to participate in decision making and, thus, increase productivity (Meade, 1986a, 1986b). Summers (1986) argues that in a share economy where the marginal cost to the firm of hiring an extra worker is reduced because each new worker reduces the compensation of the old workers, the existing

workers would have every incentive to discourage new workers from joining the firm. They might even be motivated to oust low-productivity workers. Thus, he believes that the employers' incentive to hire more workers is bought at the cost of employees' incentive to welcome their fellow workers. Such incentives, he points out, could have disastrous effects on productivity, when team work is important.

Investment: According to Epstein's (1986), in a share system there will always be an incentive for employers to invest heavily in capital because no matter how low the wages are they can never make it profitable to dispense with modern technology. However, the critics of the share system think it is likely to reduce investment in the economy.

In a revenue or profit-sharing arrangement with fixed pay parameters, a firm has to pay a part of resulting value added to the workers, therefore, decreasing the returns to owners from the new investment. Thus, they may be less likely to undertake the new investments (Meade, 1986a, 1986b; Summers, 1986). This incentive effect may be quite important if the workers get a large share of total sales (Summers, 1986).

However, Summers (1986) argues that this investment incentive problem applies when there is a fixed-share contract. As pointed out by Weitzman, the share of profits or sales that workers receive will fluctuate in the long run. This may have the effect of ameliorating the disincentive to invest. Moreover, he points out that there may be many

incentive problems in a wage system which can be resolved by a profit-sharing system. Thus, the question of which one is a better system can only be settled by empirical study.

Savings: Shapiro (1986) argues that in the share system, the level of saving would be higher at some points and lower at others due to fluctuating income. However, on the average, it would remain the same because savings are being governed by life-cycle considerations. Thus, he concludes that Weitzman is wrong that the bonus system in Japan leads to more savings. One might expect that in a share system, precautionary savings would fall, due to elimination of the worst transitory income shock.[34]

3.2.5 THE SHARE SYSTEM, SENIOR WORKERS AND THE TRADE-OFF BETWEEN JOB SECURITY AND PAY CUTS

Blinder (1986b) points out that while Weitzman's share plan is socially optimal, it is not privately optimal. Consequently, Weitzman suggests a tax subsidy to encourage firms to adopt a share system. Moreover, a share system forces workers to assume some of the firm's risks. To junior workers, he argues, this may be an alternative because it is like trading in wage-rate security for employment security.

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[34]Where unemployment insurance exists, that shock is partially eliminated, so differing effects on saving may be low.

However, for senior workers, who carry no unemployment risk, there is an incentive to oppose the share plan. According to him this problem can be solved if, instead of paying workers on the basis of Weitzman's profit-sharing plan, each firm pays its employees a nominal wage rate indexed to its own product price. If the firm has a negatively-sloped demand curve, he argues, the wage rate will go down as employment will go up so that marginal labor cost would be less than average labor cost. Thus, this compensation system will have the critical property of Weitzman's profit or revenue sharing plan. However, Blinder (1986b) argues, in this new plan, workers would exchange profit risk, which evidently, may not be an improvement from their point of view. Moreover, he points out that there is a problem with this scheme. A firm may try to manipulate its own price index by running a sale to reduce its wage rate, or by outright cheating and misrepresentation. Although it is a valid problem, it can be overcome by creating firm-specific price indexes that are agreeable to both the parties.

According to Bradley (1986), Weitzman's approach to the share economy is not balanced. He has ignored the fact that in a share system, workers' wages, like profits, will fluctuate with the business cycle. Thus, he argues, workers would achieve greater job security at the cost of increasing risk of pay cuts. According to Scarth (1992), a use of a model to evaluate Blinder's alternative to profit sharing

shows that a tax-based indexing incentive is equivalent to a decreased degree of wage flexibility. Gottfries and Sjostrom (1995) points out that a contract between a risk-neutral firm and its risk-averse workers, under uncertainty about product demand, shows that optimal profit sharing not only leads to the efficient level of employment but also wage-stability across states. I know that wage-variability is one of the major obstacles in the voluntary adoption of profit sharing.

3.2.6 UNIONS AND GOVERNMENT IN A SHARE ECONOMY

Unions and share economy: Jackman (1985) points out that Weitzman's claim about share economy is based on excess demand for labor under a share system. However, he argues, in an economy in which there are union-determined wages, profit sharing will not induce a switch from a state of excess supply to a state of excess demand. In the long run, it will reduce the equilibrium rate of unemployment. According to Kuttner (1985), by ignoring the issue of power sharing, Weitzman undermines the importance of unions as political agents of workers' self-interest. Although Weitzman is not explicitly anti-union, he views them as the main culprit in the system of rigid wages. Kuttner points out that even those economists who strongly oppose unions agree that only a part of the inflation of the seventies was due to union-driven cost-push.

According to Tracy (1986), in the short run, share firms can ignore the market compensation constraint and, thus, expand employment. But, this higher employment effect of the share system will evaporate if there are unions bargaining for their shares. With the existence of unions, he argues, the levels of employment will be identical under the two compensation systems. Although a share arrangement encourages a larger level of employment for a given level of share, he points out, unions tend to ask for a larger share and thereby offset the positive effect of it. However, the total compensation is higher under a share arrangement than under a wage arrangement, and thus, makes firms oppose the share system and unions desire it. Mitchell (1987) points out that a theoretical analysis of the share economy shows that profit sharing is not inconsistent with collective bargaining. In fact, under some conditions, profit sharing may be more suited to a union than to a nonunion environment.

Government and share economy: Lacivita and Pirag (1992) point out that the model, which provides an explanation for the reluctance of individual firms and workers to embrace a share system, suggests that most workers bear an increased risk, even if the entire economy simultaneously converts to a share economy. Thus, they argue, the government needs to subsidize the firms to help them meet the workers' share requirements.

Moreover, and more importantly, Lacivita and Pirag (1992) argue, by reverting to a fixed wage, firms could increase short-term expected profits, and workers could reduce their risk exposure. Therefore, they argue, the share economy needs to be subsidized on a long-term basis. The government has to decide if the increased employment opportunities of the share economy are worth the investment in maintaining it.

3.2.7 THE SHARE ECONOMY: A PRACTICAL ALTERNATIVE

Swiercz and Smith (1990) point out that, although, the theory of share economy is consistent with the past theory, it does not necessarily reflect reality. Since it is obvious that a share economy would have implications far beyond macroeconomic stability and lower unemployment, he argues, it must survive the severity of implementation. First of all, a closer look at the Japanese model is needed before this idea can be implemented in the United States. Secondly, since the various profit-sharing schemes in the United States offer a rich body of experience, they must be examined as part of the share-economy debate. Thirdly, a spontaneous emergence of a profit-sharing system is expected if there is a competitive advantage to be gained by the use of profit sharing.

3.2.8 NEUTRALITY OF MONEY, LABOR MARKET EQUILIBRIUM AND ROLE OF SHARE PARAMETERS

Bradley and Smith (1988) point out that the macroeconomic benefits of profit sharing as claimed by Weitzman, hold only under special circumstances. Moreover, the circumstances under which a share economy resists stagflation, the performance of traditional wage economy will also improve.

One of the strongest claims made by Weitzman is that money is neutral in a share economy. However, Bradley and smith argue, Weitzman's claim about the neutrality of money under a share system is based on his comparison of short-run fixed-wage economy with a long-run flexible-parameters share economy. According to them, if we compare both economies under fixed-compensation parameters, differences in the two types of economies start to evaporate. In the share economy, during short run, they argue, money is not neutral. In the short run, with the compensation parameters fixed, there is no automatic mechanism for pushing the labor market to equilibrium. They point out that there would be either a continuous excess supply or excess demand in the labor market, depending upon whether a share parameter is set too high or too low.

3.2.9 THE SHARE ECONOMY AND EFFICIENCY WAGE MODEL

Weitzman's claim that a share economy resolves the critical problems of persistent unemployment and costly macroeconomic fluctuations in the face of aggregate shocks is based on the fact that in a share economy, when a new worker is hired, pay for all current workers falls. This reduction of pay for current workers acts as a wage subsidy for marginal workers. However, Levine (1989) argues, in an efficiency-wage model where work efforts and turnover depend upon the total compensation that the firm pays, the wage subsidy paid by current workers costs the firm as much in lower productivity as it gains from lower labor cost. Thus, he argues, firms are not in excess demand for labor in equilibrium. Therefore, there is neither a reduction of the equilibrium unemployment rate nor a decrease in macroeconomic instability when the share economy is introduced.

Cugno (1989) points out that if revenue-sharing firms determine the workers' remuneration according to the efficiency wage hypothesis, its comparison with the performance of an analogous pure-wage system shows that the efficiency remuneration will be lower in the share system. Moreover, he argues, the employment effect of the share-contracts is ambiguous in that it will be conditional on the degree of differentiation of the firms' products, the shape of the marginal physical labor productivity curve and the

technology of supervision.

3.2.10 PROFIT SHARING, FULLY FLEXIBLE NOMINAL WAGE ECONOMY AND ALTERNATIVE SHARE CONTRACTS

Butler and Ellis (1988) point out that a profit sharing and a fully-flexible nominal wage produce the same macroeconomic outcomes with both real and nominal disturbances. According to them, profit sharing reintroduces nominal wage flexibility into the economy and, therefore, they question the desirability of reinstating compensation flexibility via profit sharing.

According to Butler and Ellis (1988), in general, share contracts do not automatically stabilize output and price level. They point out that for nominal shocks, schemes which reduce real variability, exacerbate nominal variability. For real shocks, a product wage[35] reduces both real and nominal variability, in comparison with any other schemes. However, they argue, it also has the peculiar effect of reducing employment when the marginal product of labor rises.

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[35]"Product Wage" is one of the three share contracts Butler and Ellis examine in terms of the effects of both nominal and real shocks. Under product-wage contract each worker's pay is indexed to the price level of his employing firm's output.

3.2.11 PROFIT SHARING AND LABOR CONTRACTS

According to Cooper (1986), a share contract may not be privately optimal but has better optimality qualities in terms of dealing with macroeconomic externalities. He points out that a wage system augments the quantity fluctuations; whereas, a share system claims to mitigate these fluctuations by substituting them by a bit of wage and price flexibility. According to Anderson and Devereux (1989), profit sharing may be a necessary part of an efficient contract when union bargaining is constrained by the inability to negotiate on employment because it is determined unilaterally by the firm. Profit sharing, he points out, could eliminate the inefficiency that arises from the inability to negotiate over employment. However, he argues, the model used encompasses only the welfare of the firm and the trade union; therefore, it can not be extrapolated from these results that profit sharing is desirable for macro-policy purposes.

3.2.12 PLAUSIBILITY AND VIABILITY OF WEITZMAN'S MODEL

Nuti (1985) points out that an extensive treatment of the assumptions of Weitzman's model reveals that they are not plausible. Weitzman's implicit assumption that unemployment is neither Keynesian nor classical can not be justified. His implicit neglect of persistent inflationary feedbacks of full

employment is also questionable. If the share system does succeed in increasing the level of employment and output, he argues, then through multiplier and accelerator effects, it would revise inflation. If full employment is reached and the excess demand for the labor is established and maintained, one can expect lower productivity and higher prices. Moreover, it is also difficult to imagine that in a full-employment economy, workers would not demand co-determination.

According to Nuti (1985), even if one disregards the objections raised above about implicit assumptions of Weitzman's model, his model itself is not viable. It cannot maintain its distinguishing institutional features, whether in the short, the medium or the long run. The model, he argues, has systematic instability. In the short run, the share firms would be inclined to mergers and, thus, would increase the monopolistic nature of the share economy by a considerable amount. In the medium run, in the absence of specific conditions regarding various kinds of firms entering, changing or dying, one can expect a disproportionate increase in the number of non-income-sharing firms and, thus, a gradual decrease in the weight of share firms. Last, but not least, one can expect that in the long run, there would be a strong tendency for the economy to go back towards a wage system. Moreover, he points out, if Weitzman's model is accepted, the gradual introduction of wage subsidy is shown to have the same advantageous effects of income sharing without any of its

defects.

3.2.13 WEITZMAN'S SHARE ECONOMY AND ITS MICRO-MACRO FOUNDATION

According to Brown (1986), in Weitzman's analysis, the excess demand for labor can be generated by repeating the properties of the revenue function (in terms of output) in the cost function (in terms of labor), but it requires decreasing returns to scale. Thus, he argues, the increasing return to scale plays no role in Weitzman's analysis.

According to Oswald, R.A. (1986), to support his claim about share economy, Weitzman has made a set of very restrictive assumptions about the structure of the market and the way wages, prices and output are determined. Contrary to Weitzman's belief that the largest business firms operate in a monopolistically competitive market, oligopoly more accurately characterizes the structure of the market in which they operate. Since in oligopoly markets there is a great variability in the relationship between wages and prices, he argues, making wages a function of business performance is dangerous. Williamson (1986) points out that the analytical apparatus of monopolistic competition used by Weitzman as the microeconomic foundation on which to base his analysis is unsuited to the study of stagflation.

According to Bewley (1986), the model used by Weitzman is not a convincing model for unemployment. The model does not provide an explanation of why unemployed workers are not used and why wages do not fall in response to unemployment. Moreover, he points out, Weitzman's model does not provide a satisfactory determination and adjustment of the share parameters and of labor demand. Davidson (1987) points out that Weitzman has joined Keynes's aggregate supply analysis to a neoclassical demand micro foundation based on Say's law. This hybrid analytical framework, he argues, can not be applicable to real-world monetary economies where liquidity and money contractual institutions are important.

3.2.14 EXTENSION OF WEITZMAN'S MICROECONOMIC MODEL WITH TWO VARIABLE INPUTS AND POSITIVELY SLOPED SHORT-RUN LABOR SUPPLY CURVES

Weitzman's two main conclusions about a share contract are the following:

(1) The long-run Nash equilibrium of a capitalist economy with any form of share contract is identical to the equilibrium with wage contracts.

(2) In the short run, employment and output are more variable in a wage economy than in a share economy.

Ellis (1988) points out that these conclusions are based on the effects of share contracts on firms' incentives. He

examined firms' incentives in a more general microeconomic model than the one used by Weitzman (1983):

(1) another variable input was introduced into the production technology.

(2) the firm was allowed to face a short-run labor supply function that was not perfectly elastic. He noted that Weitzman's two major conclusions require some qualifications which are as follows:

Long-run equilibria: According to Ellis (1988), Weitzman's first conclusion is not necessarily true. The form of a share contract can have important implications for the nature of the long-run Nash equilibrium of the economy. When the second variable input (materials) is introduced, the employer has an incentive to manipulate the use of materials to reduce the price of labor. This distortion to the firm's incentives prevents the Nash equilibrium, with all forms of share contracts, being identical to the one achieved with a wage contract. If the short-run labor supply function is perfectly elastic, then the firm can not manipulate the price of the labor, and the equilibria must be identical. However, he argues, in this framework, it is difficult to justify that the short-run supply curves facing the firms are infinitely elastic. Thus, he points out that the long-run equilibrium with a share contract will be identical to that with a wage contract if, and only if, all firms in the economy adopt

nondistortionary contracts.[36]

Employment and output variability: Ellis (1988) noted that even in a more general microeconomic model, a typical share firm would be willing to hire more labor at the contract-determined compensation level. In other words, a share contract would still reduce involuntary unemployment. However, he points out that employment and output are not necessarily more stable with a share contract than with a wage contract. There is no guarantee that the compensation flexibility introduced by a share contract does not induce greater variability in a firm's output and employment levels than that with a fixed nominal-wage contract.

According to Ellis (1988), a comparison of the effect of an unexpected shock on the firm's employment level, when workers are compensated on the basis of a wage contract and the general form of a share contract, is uninformative. However, he points out that some intuition can be obtained by adopting the gross-revenue sharing. The factors that determine the relative employment variability can be identified. He points out that employment would be relatively more responsive under a share contract than under a wage contract:

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[36]Ellis has identified net-revenue sharing as nondistortionary contract and gross-revenue sharing as distortionary. It is interesting to note that the share formula used by Weitzman (1985c), uses net revenue rather than gross revenue to calculate labour compensation per worker.

(1) the larger the share parameter,

(2) the greater the short-run own price elasticity of labor supply,

(3) the greater the short-run own price elasticity of labor demand, and

(4) the more concave is the labor revenue function.

3.2.15 WEITZMAN'S SHARE ECONOMY VS. KEYNES' COOPERATIVE ECONOMY

Asimakopulos (1988) points out that Weitzman's Share economy has important similarities to Keynes' Cooperative economy. In both the Cooperative and Share economies, he argues, total output and employment are determined in the labor markets, and there is no role for independent demand and supply functions. Contrary to Keynes' Cooperative economy, in his entrepreneurial economy, aggregate demand and supply functions play an important role. Davidson (1988) points out that in a cooperative system (Weitzman's pure-share system), as noted by Keynes (1936), Say's law is applicable and money is neutral. However, the world in which we live, labelled as an entrepreneurial system, the conditions of a pure-share economy are not satisfied. Thus, he argues, there is a fundamental difference between the economy we actually live in and a cooperative economy.

3.2.16 PROFIT SHARING, JAPAN, EUROPE, AND LESS DEVELOPED COUNTRIES

Profit sharing and Japan: Weitzman assumed that the striking performance of Japanese economy in terms of low unemployment, low inflation and high rate of growth of output, during the post-war period, is due to an existence of profit sharing in that economy. Taira (1983) points out that the low unemployment rate in Japan may be due to inadequate techniques used in the measurement of unemployment rates. However, Sorrentino (1984) points out that Japanese unemployment rates are only slightly understated relative to concepts used in the United States. On the other hand, Wadhwani (1985) argues that an examination of Japanese experience suggests that there is no empirical evidence to support Weitzman's claim that profit sharing provides a cure for the problem of stagflation.

Peck (1986) points out that there is a disagreement among scholars of Japanese economy as to whether the semi-annual bonuses given to the regular employees are a form of profit sharing or simply a different timing of wage payments. Weitzman is aware of this dispute, but rather than addressing the question empirically, he claims that these bonuses are not a form of disguised wage payments. Moreover, according to Peck (1986), the other institutional features of the Japanese labor market seem to be more responsible for Japan's superior economic performance.

A microeconomic study of Japan shows that profit sharing would lower the price of output and increase employment. Thus, profit sharing can be one of the factors explaining the success of the Japanese economy. However, it may not be recommended as a general global policy (Fung, 1989a).

The use of a panel of large manufacturing firms, to test the implications of Weitzman's share economy in the context of Japanese economy, shows that the overall degree of profit sharing in the four selected industries is marginal. Only in one industry, value added has positive and significant effect on bonuses. In the rest of the industries, bonuses are markups on wages (Brunello, 1991).

Profit sharing and Europe: Fung (1989b) examines some of the properties of profit sharing as a possible means to cure the persistently high rate of unemployment in Europe. He finds that profit sharing will lower the real wage and increase firms' profits. He argues, however, these results are derived in the context of a particular model with specific assumptions, and we are yet to know the empirical importance of the restrictions needed to obtain these results. However, he acknowledges that profit sharing has a potential to help cure the current economic problem of Europe. He suggests empirical work to further examine the economic effects of profit sharing.

Profit sharing and less developed countries: Because of the complications caused by the economic structure of most less developed countries (LDC), efficiency wage types of arguments are used within a dual model. Moene (1990) examines the extent to which Weitzman's profit sharing could resolve the problem of unemployment in these countries. He points out that profit sharing does not have a direct job-creation effect, as long as firms set the pay parameters. Under some circumstances, it may even destabilize short-run employment. In the case, where the choice of pay parameters is made by a well-informed planner, more modern-sector jobs could be created. According to Moene (1990), even when the efficiency wage constraint is met, a planner by making a right choice of the share parameters could achieve a higher level of employment in the modern sector. However, he argues, it would be more accurate to credit the planner, rather than profit sharing, for this job creation. Profit sharing is like a case where employment is subsidized and where the profit tax is used to finance the subsidy. However, he points out, the important difference is that the government is not involved in the monetary transactions. Moreover, even though more jobs are created in the cities, urban unemployment may still be higher.

3.2.17 MICROECONOMIC EVIDENCE ON MACROECONOMIC EFFECTS OF PROFIT SHARING

In order to assess the macroeconomic effects of profit sharing, a simultaneous economy-wide change in the system of compensation is required. Since no economy except Japan bases its compensation on profit sharing (although Wadhwani, 1985, disagrees), we can not test its macroeconomic effects.[37] However, we can test the microeconomic effects of profit sharing and see if the results of those studies are consistent with the hypotheses regarding macroeconomic effects of profit sharing. Many such studies have been conducted and the results of some of them are summarized here.

Elliott (1983) reports on the basis of a survey of 19 selected manufacturing firms representing six industries in Shreveport, Louisiana that the performance of profit-sharing firms were superior in relation to non-profit sharing firms. It was found that non-union Profit-sharing firms were more productive than unionized profit-sharing firms. Moreover, he pointed out that profit-sharing firms were likely to be more conscious about productivity increases. They were also superior in - monitoring productivity, the number of methods

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[37]The government of Singapore has been strongly encouraging profit-related bonus system as a means to increase flexibility and decrease the severity of future recessions, a policy that may eventually provide a case study for macroeconomic benefits of profit sharing.

used to increase productivity, the age of equipment and buildings, the absentee rate, supervisor-labor ratio, and compensation.

Estrin and Willson (1986) report on the basis of an empirical work based on a sample of British metal-working companies that there is a strong evidence that the macroeconomic benefits for employment claimed by Weitzman may also hold at the enterprise level. They argue that the increase in the level of employment may in part be due to improved motivation and labor productivity, but the combined results of higher level of employment and lower-average compensation is consistent with Weitzman-type effects.

Park (1986) reports on the basis of an examination of profit-sharing schemes in British industries during 1880-1920 that there is a need to reconsider many of the conventional arguments about profit sharing. Many profit-sharing schemes clearly indicate that there was a genuine desire on the part of employers to cooperate with the unions. Moreover, he points out, there was no such thing as homogeneous response among the working class toward profit sharing. The employees were enthusiastic for the benefits of the schemes. They even stood against the union leaders when their right to participate in the schemes was denied.

Levine (1987) reports that the use of firm-level data for the United States to test efficiency-wage theories shows that firms that pay high relative wages for workers of similar

quality have productivity gains approximately large enough to pay for the wage increase. Therefore, in an efficiency-wage model, the wage subsidy paid by current workers costs the firm as much in lower productivity as it gains from lower labor costs. Thus, he argues, the share economy does not lead to any decrease in the equilibrium unemployment rate. Moreover, the share economy is approximately as stable as the corresponding wage economy. Shepard (1987) reports the empirical results for the chemical industry in the United States. The results show that there is a positive and significant effect of profit sharing on productivity. The net effect of profit sharing on productivity is estimated between nine percent to ten percent. He notes that profit sharing affects productivity mainly through its effect on labor effort.[38]

According to Chelius and Smith (1990), there is evidence (based on two surveys of households and small businesses) that workers whose compensation package contains a profit sharing component are less susceptible to lay-off when faced with negative shocks to product demand than are those workers who receive fixed, time-base wage. However, they point out, the evidence is of borderline statistical significance.

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[38]Increase in flexibility is one of the strongest reasons for individual firms of the United States to adopt profit sharing. The belief that profit sharing can act as an incentive to increase company productivity is another strong reason. For a summary of research on the productivity hypothesis, see Weitzman and Kruse (1990).

Panel data on 2,976 publicly-traded companies for the years 1971-1985 were used to test whether profit-sharing firms would have more stable employment than fixed-wage firms. It was found that during business downturns profit-sharing manufacturing firms had smaller employment decreases than non-profit-sharing manufacturing firms (Kruse, 1991).

For one-point increase in unemployment rate, the average employment decrease in profit-sharing manufacturing firms was only two percent compared to three percent in non-profit-sharing manufacturing firms. However, no significant differences in employment variability were found between profit-sharing and non-profit-sharing firms in the nonmanufacturing sector. One possible explanation could be that, given that profit sharing represents only a small part of total compensation, a profit- sharing effect is detectable only when variability in employment is high. Since manufacturing firms are usually much less stable than nonmanufacturing firms, a profit-sharing effect may not be detectable in the nonmanufacturing sector (Kruse, 1991).

A comparison of profit sharing with lumpsums, by taking the firm-level data for the union sector of the United States' economy, shows that profit sharing lowers the growth of labor cost and this result is statistically significant. Profit sharing also increases the growth of employment and lowers its variability, but these results are not statistically significant. However, these results are consistent with the

hypotheses regarding the macroeconomic effects of profit sharing. On the other hand, the effects of lump sums are not consistent with the hypotheses regarding the macroeconomic effects of profit sharing (Bell and Neumark, 1993).

A survey of 26 studies, with several hundred estimates about profit sharing, shows that employers treat the concept of profit sharing much more casually than do economists. Even though profit-sharing status is poorly defined, it is associated with higher productivity in a majority of several hundred estimates from 26 studies. However, the variation in estimates is quite large. Ten percent of all studies report negative impact and another 30 percent report positive impact. The greater the profit-sharing component of total labor compensation, the higher the productivity (Kruse, 1993).

As for the employment-stabilization effects of profit-sharing plans, Kruse (1993) finds the following: Less than one percent of employers reported that reducing the probability or size of layoffs was a very important reason for maintaining a profit-sharing plan. Moreover,the effects of profit sharing on employment stability are very modest.

Empirical tests based on using data for Chinese state enterprises show that there is a positive relationship between work effort and profit sharing (Li, 1993). A review of evidence on both microeconomic and macroeconomic theories of profit sharing shows that there is very little information available about the positive impact of profit sharing.

Therefore, firm guidelines can not be provided for designing tax incentives for the United States' work places. Moreover, there is a strong need for information collection for profit sharing (Kruse, 1994).

3.3 CONCLUSION

This chapter provided a review of the literature on the macroeconomic effects of profit sharing. There are some economists who support Weitzman's proposal of share economy, but most of them oppose it. Same as Weitzman, most of the critics of his proposal have resorted to partial equilibrium and/or short-run structures to show defects of his proposal. However, Weitzman and some others (see Nordhaus, 1988; Estrin and Willson, 1986; New york Times, 1985a, and Summers, 1986, in particular) have suggested empirical work to settle the dispute. There is still disagreement among economists about macroeconomic effects of profit sharing.

Even though the idea that profit sharing could have macroeconomic benefits is not new, nowhere, except in Japan profit sharing has been adopted economy-wide (or at least to a large sector of the economy) as a way to compensate workers. Therefore, there is little evidence either for or against macroeconomic benefits of profit sharing. consequently, the debate about its merits and demerits has been conducted in an abstract way. Many studies have been conducted to test the

microeconomic effects of various profit-sharing schemes. The results of many of these studies are consistent with the hypotheses regarding the macroeconomic effects of profit sharing. However, only in some cases the results are of statistical significance.

CHAPTER IV

TESTING OF PROFIT SHARING: METHODOLOGICAL CONCERNS

4.1 INTRODUCTION

As mentioned before, in this study, the impact of a partial switch to the share system on unemployment and inflation in Canada is analyzed quantitatively using simulation analysis. Alternative analytical approaches are examined in part two of this chapter. While the simulation approach has limitations, it lends itself well to the problem at hand.

The model used for the simulations is Canadian General Equilibrium System (C-GENESYS). The nature of the model is discussed in part three of the chapter. The details of the model needed to assess the simulation results are provided. In part four of the chapter, the modifications in the C-GENESYS model required to assess the effects of a partial switch to profit sharing are discussed. The concluding remarks are presented in part five of the chapter.

4.2 ALTERNATIVE APPROACHES FOR EVALUATION OF A POLICY

This part examines four ways of assessing consequences of a particular policy or exogenous event on the economy. A comparison is made between simulations and other approaches.

4.2.1 THEORETICAL ASSESSMENT

Economic theory often helps to assess the consequences of a policy or exogenous event in so far as the direction of change is concerned. However, in economics, a combination of both empirical data and theory is required for measuring the magnitude of change and determination of the time-lag involved in its realization. In occasions where alternative theories may suggest different results, data may also be required to select the appropriate theory. In a complex situation, quantitative data may be required for assessing the net impact and even the direction of various simultaneous events.

4.2.2 LEARNING BY DOING

"Trial and error," as a basis of improving our understanding of the surrounding environment, has been perhaps the oldest technique used in practice. In fact, when the subject of concern is quite limited in scope and simple in structure, one may learn quickly by simply trying different

things. However, when it comes to understanding a complex subject, such as the reaction of an economic system to a policy change, the technique may prove to be quite costly (to tax payers) and inefficient. Economic policy often has effects that are quite different from the intentions of the policy maker. Even a correct policy may be subject to some lags in producing its effect. Therefore, it may take a longer period of time than expected to observe the results so that the policy maker may give up on his initial intent and try something in the opposite direction. As another example, a policy may be correct, but an exogenous event with an unknown implication may happen at the same time, leading to incorrect conclusions. In short, the fact that the economic system is subject to various shocks and to an inner dynamics forcing it to change over time, makes it quite impossible to treat it as a controlled laboratory for assessing policy instruments and exogenous events.

4.2.3 USING PAST EXPERIENCES RELATED TO OTHER OCCASIONS OR COUNTRIES

This approach may prove quite useful when conclusive results related to similar situations exist. Obviously, when one of these conditions of the "existence of conclusive results" and "similarities of situations" is violated, there remains no rationale justifying the use of past experiences.

For example, Weitzman (1984a, P. 73) has referred to the Japanese bonus system as a live example of profit-sharing economy. However, apparent cultural and economic differences between Japan and Western countries provide a caution in this regard (see Peck, 1986). Too much reliance on past experiences may have a blinding effect to the extent that it may lead the policy maker to close his eyes to potentially better alternatives that he may have in his hands.

4.2.4 SIMULATION

The arrival of the computer age has led to the birth of a new type of intelligence known as "economy-wide econometric model", and a new technique of assessing a complex structure known as "simulation." In this technique, one would incorporate an appropriate economic theory into the structure of the model, utilize data to identify the lag structure involved in each equation of the model and estimate its parameters. The estimated model and its data base are then used to assess the effect of the policy or exogenous events by altering appropriate variables or parameters of the model. The results obtained by "running" the model, once before the changes and another time after the changes, are then used as a basis to assess the consequences of such changes.[39]

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[39]For further discussion regarding simulation technique, see Kang (1995), and Gourieroux and Monfort (1993).

According to Clements and Hendry (1995a, 1995b) econometric systems have a number of advantages over "guessing" and other informal techniques. These advantages include consolidation of existing empirical and theoretical knowledge of how economies function, provision of a framework for progressive research strategy, measurement of forecast uncertainty, in addition to their rule as a forecasting technique.

The "simulation" approach has advantages compared to the "theoretical-assessment" approach. In theoretical assessments, the direction of the change may remain undetermined when it depends on the size of particular parameters, especially when various forces are at work simultaneously. In simulation analysis, the magnitude of a change can be measured in addition to identifying its direction. Multiple policies and shocks can be assessed simultaneously.

Simulation approach has advantages compared to "learning-by-doing" technique. First, various alternatives can be examined in search for the best option before its implementation so that the undesirable effects of a wrong policy can be avoided. Second, consequences of alternative policies can be quickly "observed" at computer speed, rather than waiting for such effects to be realized in practice, which may take several quarters or even years to happen.

Finally, simulation approach has advantages compared to relying on "past experience" as an approach. first, the relevance of a particular experience to the economy in hand can be tested in a comprehensive manner before its implementation. Second, more options would be available to the policy makers than those dictated by the past experience alone.

Thus, it is evident that the simulation approach stands out among the approaches available to assess consequences of a particular policy or exogenous event on the economy.[40] I have decided, therefore, to use the simulation approach to assess the consequences of profit sharing on the economy. However, it should be noted that this approach has its own pitfalls, which are as follows:

(1) Specification problem: Clearly, if the model is not a scientific "reconstruction of the reality," the conclusion derived from its simulation would not be valid. A scientific model, by necessity, is a simplification of reality. This simplification is supposed to take account of only important factors related to the phenomenon under study. Unimportant factors, also called the error term of the model, should have a random (rather than systematic) nature within the framework of the study. In a good model, the errors are not correlated over time, have zero mean and their variations (standard

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[40] For further details regarding simulation approach, see UCLA (1996), Chattoe (1995), Hendry and Richard (1983), and Engle et al. (1983).

error) are constant over time. For example, Smiley (1996) argues that the use of two-factor model (labor and capital) in relation to agrarian societies, where the ownership of land rent dictates particular institutional forms, is not appropriate. Clearly, an important economic variable, such as land in Smiley's study, does not satisfy such conditions and should, therefore, be included in the model as an explanatory variable, rather than being pushed into the error term.

A conventional approach for model specification is to start with a large model including all variables expected to be important and then reduce the number of variables using reduction techniques, e.g., significance test.[41] In short, if an important factor is not included in the model, it will lead to a biased estimation of the model parameters and misleading inference.

(2) Imprecise estimation: A model may be well-specified in terms of its structure, and yet wrong results may be obtained if its parameters have large variances. The variances may be large due to small sample size, correlation among explanatory variables of the model and large variance of the random factors (error term). A large variance warns that the estimates of the model parameters could be far away from their true values. To have an accurate estimate of the model parameters, a sufficient amount of data and appropriate

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[41]For these considerations see Keuzenkamp and McAleer (1995). Also see Hendry (1995a, 1995b).

estimation technique should be used.[42]

(3) Incompleteness: Although a model could be a good representation of reality during the sample period, simulation requires the model not to contain exogenous variables that should have been endogenized. That is to say, there should be as many equations as the number of endogenous variables. In particular, if certain variables may be affected by a policy parameter within the simulation design, such dependencies should already be incorporated into the structure of the model.[43] An obvious example is the case in which imports and exports are treated as exogenous variables, and impact of a change in an exchange rate is the subject of simulation.

Whether an econometric model can be free of the problems noted above has been questioned by Sims (1980). He argues that economic theory implies complex cross-equation restrictions that can be addressed using system estimation, rather than single-equations techniques. System estimation requires certain conditions between the number of endogenous and predetermined variables in the model known as "identification condition." On the other hand, interaction of policy regimes and agents' expectations make the

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[42]For further discussions on the issue see any standard textbook on econometrics. Also see Stroxia (1994), where a combination of econometric model and a neural network model is used to improve accuracy of economic predictions.

[43] For further discussion of exogeneity see Hendry (1995a, 1995b), Poirier (1994), Fischer (1993), Rosati (1991), and Engle, et al. (1983).

identification a problem. He also argues that traditional identification conditions are not met on a valid basis but due to the presence of dynamics (or lagged variables) in the models. He proposed a model-forecasting technique based on vector-auto-regressive (VAR) models, which rely on the "continuity" of the time-series representation. This and subsequent developments have been traced by Hall (1995). He argues that all these developments point to a convergence of methodology, which starts from a general, unrestricted dynamic specification and utilizes (economic) theory to identify a data-acceptable structural model. It should be noted that in the development of the model used for simulations in this study, the consistency of the model across equations and sectors were taken into account. The model also takes into consideration the rule of expectations and supply-side constraints. The stability of the model over time was tested to examine its validity.[44]

4) Irrelevant results: Economies constantly go through some changes. As the structural characteristics of the economy change over time, the results obtained from an existing model become less and less relevant. Thus, simulations with an adjusted model are needed.

(5) Tweaking: One of the objections raised against simulations is that it has so many controllable parameters that it can produce almost any desired output. It is

[44]For details see Alagheband (1988).

important to make a useful distinction between parameters that are exogenous and those which are simply unmodeled. An exogenous parameter should not be subjected to tweaking because it is something that is susceptible to measurement within the framework of the theory. Although it is true that simulators do tweak their models, their motivation for doing so is important. If they do not model the variables, which can make the difference in terms of how the model behaves, then this is known as unsystematic reduction of the model. Some variables are relatively unimportant in the sense that the model still behaves in a similar way no matter what value they are set at. This is also known as a systematic reduction of the model (see Chattoe, 1995).

4.3 THE C-GENESYS MODEL

In this part of the chapter, C-GENESYS model is discussed. The model is compared and contrasted with other models such as the Bank of Canada and Statistics Canada models. It is pointed out why is it a good model to be used for my study. The flow diagram, which summarizes the model, is explained briefly. At the end, the details of the model needed to assess the simulation results are presented

4.3.1 A COMPARISON OF C-GENESYS MODEL WITH OTHER MODELS

Many econometric models (including the Bank of Canada and Statistics Canada models) were examined in the development of C-GENESYS. Moreover, economic theory and statistical results were used to develop the model equations. The model is similar to the Bank of Canada and Statistics Canada models in some aspects, for example; the use of income variable in the consumption equations, dependency of monetary aggregates on interest rates and output, dependency of interest rates on the bank rate and derivation of investment, and demand for labor from cost-minimization rule.

There are differences between the C-GENESYS and other models noted above. For example, supply of labor is more elaborated in C-GENESYS than in the other models. Lag structures of the variables in various equations are different. Relationships among various sectors are also different in terms of variables used in equations, lag in the response of dependent variables to a change, and the magnitude of response (which depends on model coefficients). The model has been adjusted for practical factors. In developing this model, past experience in econometric modelling has been used and that experience has been adjusted to the instabilities of the 1970s. One of the criticisms of some econometric models is that they are demand- oriented and ignore the supply constraints. This model has been adjusted for supply

constraints. Moreover, adequate functional forms of the equations have been specified, and the economic theory underlying the model specification has been provided. The equations of the model have the practical advantage of being linear in parameters (with only two exceptions). They are part of the Canadian General Equilibrium System (C-GENESYS).[45]

4.3.2 WHY IS IT A GOOD MODEL TO BE USED FOR MY STUDY

I decided to use this model, as it is a comprehensive model of the Canadian economy. Moreover, it is a good model to be used for my study for various other reasons, as discussed below:

(1) The model is based on some quarterly and some yearly data. It can be used for forecasting purposes and interdependency analysis of both financial and non-financial economic variables. Yearly series are explained by the quarterly series, which are not seasonally adjusted, so that the model has a quarterly nature and is capable of capturing stable seasonal patterns.

(2) The stability of the C-GENESYS over time has been examined by comparing the variance of prediction error during

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[45]For the model, see Alagheband (1988). The model represents, with some modifications, part of the Canadian General Equilibrium system (C-GENESYS), developed by the author as a part of his doctoral dissertation, Department of Economics, McGill University, Montreal. A copy of the model can be found at Mclennan Library of McGill University of Montreal.

different historical periods (see Alagheband, 1988, chapter 5). The results indicated that the model has been stable, over time, despite differences in those periods (e.g., different- exchange rate regimes). This is a good indication that the simulation results comparing the wage economy with the share economy are reliable.

(3) In the model, the lag structure has been fully identified. It takes nearly 12 quarters for all the multiplier and accelerator effects of a change in an independent variable to be realized.

(4) Model has a very good inter-sectoral linkage. Whereas, in this model one sector is consistent with the rest of the sectors, it is not so in some other models.

(5) Some other models could only be used to conduct an aggregate study; whereas, this model can be used for both aggregated, as well as disaggregated, studies of the economy.

(6) The three categories of investment are determined by very different factors. Therefore, it is important that a separate analysis is given. The model in question reflects this reality.[46]

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[46]In most of the theoretical models, the three categories of investment are lumped together. Weitzman's model does not even contain any equation for investment. These categories are: investment in residential construction, nonresidential construction, and machinery and equipment. Investment in inventories is also treated separately in C-GENESYS in accordance with the Statistic Canada Classifications.

4.3.3 THE FLOW DIAGRAM OF THE MODEL

The flow diagram, summarizes the model, is attached at the end of the thesis. It illustrates the relationship between various model variables. When one variable is changed, that may affect one or more variables of the model directly. Such direct effects are shown by an arrow. When the effect is realized in more than one quarter, the arrow with a vertical line on it is used to show the direction of the impact.

Any group of model variables which have similar economic properties are grouped in a sector. On the right-hand side of the diagram, two sectors are represented: components of aggregate demand and the foreign sector. On the left-hand side of the model, income distribution and the monetary sectors are shown. At the center, labor, prices, output and government sectors are located. Finally, between the center and the right-hand side, the stock of capital, inventories, etc. are presented.

4.3.4 THE DETAILS OF THE MODEL NEEDED TO ASSESS THE SIMULATION RESULTS

There are 423 equations in the model used for simulations. Of these, 254 are stochastic equations and the rest are identities and technical relations.

The Components of the Model Deriving the Results

Compensation systems (fixed or share-type) affect the model through the labor market. Each of these two systems affect "total labor compensation" and "supply of labor" directly and, thereby, other endogenous variables in the model. In the wage system, total labor compensation is determined in accordance with cost minimization rule in relation to a fixed system of payment. In the share system, total labor compensation is a scale (< 1) of the fixed component of labor compensation as in the wage system plus a portion of private-sector output. Total labor compensation, in turn, affects personal income and thereby consumption, aggregate demand, output, etc.

Supply of labor, in both compensation systems, partially depends on "average labor compensation". In the wage system, this is simply the average wage rate. In the share system it is a scale factor (< 1) of the average wage rate plus a portion of private output per labor. Clearly, supply of labor is directly affected by the way the average labor compensation is determined in each case. Conventionally, short-term expectations are assumed to be fulfilled so that average labor compensation in the share-system is assumed to be known in each quarter (or to become clear within each quarter). The labor supply, in turn affects unemployment rate and, thereby, growth in the fixed component of wage rate, prices, etc. On

the other hand, price level also affects the supply of labor. In the long run, therefore, there are secondary effects through labor supply as the fixed component of wages and price level in the share system would be different than those in the wage system.

The Level of Sectoral Detail

Aggregate demand: As indicated earlier, the broad components of personal expenditure on goods and services, and investment expenditure are distinguished. A further decomposition of personal expenditure at a two-digit level is also performed. Distinction is also made between farm and non-farm changes in inventories. Import of goods and services are also modeled separately.

Income: Various components of personal income are modeled, including wages and salaries, interest income, dividends, accrued farm income, etc. Broad components of income (wages and salaries and other sources of income) at a provincial level are also modeled.

Money market: Several interest rates and demand for money are distinguished.

Labor market: Demand for labor, supply of labor, and wage rate are modeled.

Prices: Various prices at two-digit level, as related to components of demand, are modeled.

Government: Many components of government revenue, in relation to taxation and operation of government-owned businesses, are modeled.

These points are further discussed below.

Dynamics of the Model

In the model, dynamics are included in the following two ways: First, through lag structure of dependent (endogenous) and independent (exogenous) variables in the equations of the model. For example, the full impact of an increase in income on consumption may take several quarters to be realized due to the lag structure of the model. Second, through inter-sectoral relations in the model. For example, an increase in aggregate demand leads to a higher level of output, requiring a higher level of employment, which, in turn, leads to an increase in labor income and consequently a further increase in aggregate demand. On the other hand, shortages in labor market, higher prices, and increases in interest rates may also follow, discouraging further expansion in aggregate demand.

Intertemporal Substitution

The model allows for substitution between labor and capital and between various components of consumer

expenditure. Such substitutions would take time to be realized depending on the lag structure of the related equations. Changes in relative costs and prices are the basic cause of such substitutions.

Monetary Policy and Interest Rates

Monetary policy is implemented in the model through the bank rate and required cash-reserve ratio. An increase in the bank rate leads to an increase in other short-term and long-term rates, given no other shock to the system, and thereby reduces investment from what it would otherwise be . Thus, aggregate demand is reduced. It should be noted that a rise in the bank rate alone may not necessarily lead to a reduction in investment if aggregate demand is on the rise. Required cash-reserve ratio also affects interest rates and thereby investment.

Capital Investment

Capital investment in the model depends on expected changes in "permanent" private-sector output and user cost of capital relative to price of output, in accordance with the cost-minimization rule. The user cost includes a long-term interest rate in addition to inflation and price of investment goods. Transitory changes in output and relative prices are

assumed to have no effect on investment because return on investment may not be realized over-night. A rationally distributed lag structure (e.g., lagged values of both investment and explanatory variables of the model) is used to pick up the lag in "investment expenditure" compared to changes in market conditions that would affect "investment decision."

Other Related Issues

Consumer expenditure on semi-durable and non-durable goods in constant dollars depends on permanent income, long-term interest rate, population, and lagged expenditures. The model conventionally assumes that consumers, through borrowing and lending, adjust their expenditure flows to their permanent, rather than current, income. The interest rate variable is a measure of the borrowing cost. The higher the interest rate the lower would be the expenditure, other things remaining the same. An increase in income and population leads to an increase in expenditure. However, response of expenditure to changes in income, population, and interest rates may take more than one quarter to be realized. This lag in response is picked up by the lagged expenditure variable.

Consumer expenditure on durable goods in constant dollars is modeled in a similar manner as in the case of other goods. However, in the case of durable goods, a distinction is made

between consumption and expenditure flows. A durable good purchased in this quarter may take years to be consumed. Accordingly, the stock of durable goods is also taken into account. The greater this stock, the less the expenditures would be to increase it, other things remaining the same.

Investment in residential construction in constant dollars depends on housing starts. The latter variable is modeled in the same manner as expenditure on durable goods so that it depends on final demand conditions.

Changes in business inventories in constant dollars is explained in accordance with factors encouraging accumulation or depletion of inventories. The accumulation factors include change in permanent sales, import of goods, and changes in imports. The depletion factors are transitory sales and exportation of goods. The seasonal aspect of farm inventories is also taken into account. Inventory changes can also be grouped into planned and unforeseen changes. From the latter perspective, changes in permanent sales and imports are the planned changes; whereas, transitory sales and changes in imports are unforeseen changes, with other factors noted above reflecting both aspects of changes in business inventories.

Import of goods depends on price of imports relative to the general price level, aggregate demand in the economy, and lagged imports. The model supports both the income and elasticity approaches to foreign trade, as both income and price variables were found to be statistically significant in

the model.

Import of services is modeled in a similar manner as import of goods described above. However, the interest and dividend components of services are formulated separately in relation to total dividends and miscellaneous investment income, unit-withholding-tax-rate, and lagged responses.

Since the import of goods and of services are explained (endogenous) in the model, the impact of changes in domestic demand - including labor and other sources of income - and prices on imports are taken into account in the simulations performed in this study.

Demand for money is modeled in relation to interest rate, gross national expenditure, and normalizing factors, including population and ratio of M1 to (M3-M1). The interest rate explains the speculative demand for money. The lower the actual rate, the more speculators there are expecting the rate to increase in the future. Such speculators would then prefer to hold part of their resources in the form of money, rather than tying them up in interest-bearing assets at what they consider to be a low rate. Thus, demand for money reduces as interest rate increases. Gross national expenditure is used in the model to pick up the transaction demand for money. The higher the volume of transaction, the higher would be the demand for money to accommodate it. Uncertainty related to the stream of payments in the future also results in a precautionary demand for money which is, by convention, merged

into the transaction demand for money in C-GENESYS. There are five demand-for-money equations in the model, depending on different monetary aggregates (e.g., M1, M2, etc.).

Cash reserve ratio actually held depends on the required cash-reserve ratio as an institutional constraint, the change in the bank rate which reflects speculative demand for excess cash, and variables measuring transaction demand for this excess cash. The latter variables are seasonal dummy variables and an index for permanent gross national expenditure. An estimated negative coefficient for the last variable indicates that, over time, the transaction demand for excess cash has been reducing due to a gradual change in the managerial policies of commercial banks.

Interest rates, through a set of equations, ultimately depend on the bank rate. Each rate is determined by the nominal rate of return on competing assets, expectation of other comparative figures (e.g., capital gains), and other constraints when applicable (e.g., need for external financing for corporate bond rate).

There are also equations for government sector, capital flows, and exchange rates with minimal implication for the present study.

4.4 MODIFICATIONS IN THE C-GENESYS MODEL REQUIRED TO TEST THE HYPOTHESES

This part of the chapter discusses how the share system can be integrated into the C-GENESYS model, especially its labor sector. What changes are required in the labor sector of the C-GENESYS model in order to test the effects of profit sharing, and how would these changes affect the rest of the model?

4.4.1 THE LABOR COMPENSATION

As mentioned before, an amendment to labor compensation is made in the following manner:[47]

(1) General wage rate (w) is determined as in the wage system.

(2) Share-type labor compensation per worker {w(L)} is defined as scale factor (h < 1) of the general wage rate plus a fraction (c > 0) of revenue per worker (R/L):

$$w(L) = h.w + c(R/L);$$

where, as mentioned before, h is base wage coefficient, w is money wage rate, R/L is revenue per worker, and c is revenue-

[47]Timing of payments to labour by firms in the share system is assumed to have the same pattern as in the wage system. For example, if it takes one year to produce a product while workers are paid on a weekly basis, then the same is assumed to hold when switched to the share system. Conventionally, all short-term expectations are assumed to be fulfilled (regarding the output level).

sharing or profit-sharing coefficient.

(3) For the wage system, the model is solved using w as labor compensation per worker, and for the share system, the model is solved using w(L). In each case, output, prices, rate of inflation, unemployment rate and other variables are calculated and compared.

(4) Lagged values for the rate of inflation, output per person and unemployment rate are included in the equation for the general wage rate. Consequently, after the first quarter in the simulation period, even the general wage rate (w) in the share system differs from that in the wage system, in accordance with different values for the rate of inflation, output per man and the unemployment rate in the two systems.

(5) The main forward linkage of labor income with total model is through personal income, which affects consumption. Clearly, the basic parameters of a share-formula (h and c) play an important role in determining the labor income and, consequently, the level of output and employment in the economy. Different scenarios can be examined by selecting different values for h and c. For simplicity, in each case in this study, uniform values for h and c are applied to the whole economy. In practice, different firms may or may not choose different combinations of such share parameters. However, we may not know in advance what combination could be used by different industries.

4.4.2 THE WAGE EQUATION OF C-GENESYS MODEL AND THE SHARE SYSTEM

Since I am trying to test the hypotheses using time-series data over a long period of time, a wage-equation is needed. The C-GENESYS equation for wage determination is conventionally based on using growth in labor productivity, expected rate of inflation and unemployment rate (as a measure of bargaining power of labor), as its main explanatory variables. All the explanatory variables affect the wage rate, after a lag, so that the wage rate is fixed in each given quarter (The equation is also adjusted for the effect of the wage-price control program in the early 1970s).[48] Derivation of the wage equation is further discussed below.

By definition, labor share(s) is given by,

$$s = wL/PQ \tag{1}$$

or

$$s = (w/P)(Q/L), \tag{2}$$

where, as indicated before, w is the money wage rate, L is aggregate employment, P is price level and Q is aggregate real output. Taking growth rates of both sides:

$$\dot{s} = \dot{w} - \dot{P} - \dot{(Q/L)} \tag{3}$$

or

$$\dot{w} = \dot{P} + \dot{(Q/L)} + \dot{s} \tag{4}$$

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[48]The wage rate in Weitzman is taken to be exogenous in the short run, and no exact formulation is given for its determination in the long run (see Weitzman, 1985c).

If labor share is constant, that is, if $\dot{s} = 0$, then

$$\dot{w} = \dot{P} + \dot{(Q/L)}. \quad (5)$$

Thus, it makes the growth of wage rate equal to the rate of inflation and rate of growth of productivity. And it means that, on aggregate, labor demands for the constancy of its share in total output.

In practice, the expected (rather than actual) rate of growth of inflation and productivity are taken into account. Unemployment rate (as a proxy for the bargaining power of labor) and the effect of wage and price control program should also be taken into account. Thus, in practice,

$$\dot{w} = B_1 \dot{P}^e + B_2 \dot{(Q/L)}^e + B_3 UR + B_4 D \quad (6)$$

whereas,

$\dot{P}^e$ = Expected rate of inflation.

$\dot{(Q/L)}^e$ = Expected rate of growth of labor productivity.

UR = Unemployment rate. rate.

D = Dummy variable for wage and price control.

Actual unemployment is used in this quarterly model. In a model with different frequency (e.g, annual), expected rate of unemployment may prove to be more relevant. B_1, B_2 and B_3 are fixed parameters. B_1 and B_2 are positive; that is, expected rate of inflation and expected rate of growth of labor productivity affect the growth of wage rate positively. Same quarter (actual) changes in these variables do not affect wages. B_3 is negative; that is, the rate of unemployment affects the growth of wage rate negatively. Apart from lag

responses, equation (6) is used in C-GENESYS to determine the wage rate per worker in the wage economy and the fixed component of labor compensation per worker in the share economy for all the simulations.[49]

In this model, expected rate of inflation is defined as a 9-quarter weighted average of the rate of inflation.[50] Consequently, due to a switch to the share economy, a change in the rate of inflation affects the expected rate of inflation and, thereby, the (fixed component) wage rate.[51]

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[49] It is important to note that the wage determination equation, discussed above, has an expected (rather than actual) rate of inflation, and productivity increases, as its explanatory variables, and as such, does not impose a "Phillips Curve" relation on the model.

[50] In order to give more weight to recent inflation in comparison to inflation in the more distant past, the relative weights go down at geometric rates. For example, for the first period, it is one, and for the second and the third period, it is 0.9^2 and 0.9^3, respectively. Similarly for the ninth period, it is 0.9^9. In other words, the relative weights decline at geometric rate.

[51] In order to set the wage rate, rate of inflation for consumer expenditure on goods and services (CEP) is used for the expectation formation for the wage equation. For investment, it is the implicit price index for investment goods that is being used. The rate of inflation for gross national product (GNPP) being an indicator of all other indices, affects all of them.

4.4.3 DEMAND FOR LABOR FUNCTION AND THE SHARE SYSTEM

Demand for labor can be obtained as the ratio of total wage bills in current dollars to the wage rate. For the demand for labor function, no restructuring of the model is needed except for determination of labor income in relation to the amendment of the labor-compensation formula.

4.4.4 STOCK OF CAPITAL

In the C-GENESYS model, the stock of capital is assumed to be constant at any given period of time (quarter).[52] In other words, during the same period, investment expenditure arrives in the model as a component of aggregate demand with no impact on the stock of capital in use. Consequently, in any given period, profits are maximized by employing an optimal amount of labor.[53] This yields the following expression for net profits, in C-GENESYS:

$$\Pi_i(L_i, k) = R_i(L_i, k) - w.L_i - A,$$

where k stands for stock of capital, A is the cost of capital and other notations are the same as described above.

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[52]Allowing for delivery and installation time for new equipment.

[53]I notice that unlike C-GENESYS model, Weitzman's model lacks the stock of capital as a factor of production.

4.4.5 SUPPLY OF LABOR EQUATION AND THE SHARE SYSTEM

Basically, the effect of switching to a share economy on supply of labor can be measured through its impact on "average labor income" replacing "the wage rate" of the wage system. There are other effects through other explanatory variables in the supply-of-labor equation, as detailed below.

Supply of labor in C-GENESYS is derived from household utility maximization, in view of the trade-off between leisure and income. The trade-off suggests that supply of labor can be written as a function of wage rate. The shape of this function is mathematically undetermined. It is generally argued to be backward-bending as income becomes an "inferior good" relative to leisure at high wages. The latter argument suggests that the supply of labor can be formulated as a polynomial function of the wage rate. The model is static in nature. To make the wage figures comparable over time, they are deflated by the implicit price index for consumer expenditure on goods and services. The estimated negative coefficient for the squared wage rate supports the argument that the supply of labor is backward-bending. The model is also adjusted for discouraged-worker effect (measured by changes in unemployment rate) as a practical factor and population as a normalizing factor. Since prices and unemployment rate are endogenous in C-GENESYS, there would be additional effects on the labor supply through such factors,

besides the change in average labor income.

I know that the literature on profit sharing shows that at the micro level there are productivity, incentive and monitoring aspects of profit sharing. However, in the present study, no change in the production function is assumed to be associated with these factors for the followings reasons:

(1) as it is not a basic argument in the present study.[54]

(2) such effects may take years or even generations to be realised.

(3) in the present study, only small changes to labor compensation are made to reflect share-type compensation. Such small changes are assumed to have no impact on the parameters of the economic model used for simulation, including those in the wage-determination equation.

In the case of a wage economy, labor supply depends fully on a fixed wage rate in any given quarter. In the share economy, this wage rate is replaced by average labor income (which depends upon a fixed component, as well as on a variable component). Due to the quarterly nature of the model, short-term expectations about the average labor income are conventionally assumed to be fulfilled. As for the general wage rate, there is an expectation formation for inflation and productivity, with a lag. Thus, for the greater part of the labor compensation (80-90 percent), even for the

[54]As I am mainly interested in assessing the effects of a partial switch to the share system on unemployment and inflation in Canada.

share system (as the fixed component is proportional to general wage rate), there is expectation formation. Due to the lag effect, the fixed component of the wage rate in any given quarter is known (fixed). As for the variable component of labor compensation, short-term output expectations are conventionally assumed to be fulfilled. Consequently, the variable component of the labor compensation is also known in any given quarter, and is determined like other endogenous variables of the model by solving the model.

4.5 CONCLUSION

In this chapter, methodological concerns regarding testing of profit sharing were discussed. Alternative approaches towards evaluation of a new policy, such as profit sharing, were presented. It was concluded that the simulation technique is the best among all the techniques available to assess the consequences of a complex policy or exogenous event such as profit sharing on the economy. Some pitfalls of simulation approach were also noted.

The C-GENESYS model was discussed. Unlike the theoretical model employed by Weitzman to assess his claim about share economy, the C-GENESYS model reflects many aspects of the real life; e.g., the lag structure has been fully identified, capital inputs are included in the model, various components of consumer expenditures are distinguished. The

model has very good intersectoral linkages. By employing this model, an impact of a partial switch to the share system can be assessed in a more realistic way. The details of the model, needed to assess the simulation results, were provided.

The relevance of the C-GENESYS model for the share system of payment was also discussed to determine if there is a need to make some changes in order to make it applicable to a share system of payment. For the demand for labor function, fixed wage rate of the wage system is to be replaced by the average labor compensation based on the amendment of the labor compensation formula for the share system. In a share system, the basic parameters (h and c) of a share-formula play an important role in determining the labor income. In the share economy, the same as in the wage economy, the main forward linkage of labor income with total model is through personal income, which affects consumption. It was concluded that in a share system, the share parameters are critical in the determination of the level of output, employment, and income.

In the C-GENESYS model, the supply of labor is derived from household utility maximization, where there is a trade-off between leisure and income. Based on this trade-off, the supply of labor can basically be written as a function of wage rate in a wage system and as a function of average labor compensation in the share system. Thus, the wage rate of the C-GENESYS model needs to be replaced with the average labor compensation to make it applicable to a share system. There

are some additional effects through other explanatory variables in the supply of labor equation, as discussed above.

CHAPTER V

A COMPARISON OF SHARE AND WAGE ECONOMY, DETERMINATION OF THE FEASIBLE RANGE FOR THE SHARE PARAMETERS, AND MEASUREMENT OF OUTPUT VARIABILITY

5.1 INTRODUCTION:

The unemployment rate in Canada is very high at present. Since 1982, more than half of the time, the unemployment rate has been in the double digits (see chapter 1). In Canada, fiscal policy is being used to control budget deficits and reduce public debt and monetary policy is supposed to maintain the price stability. Thus, we do not have any policy to reduce the high rate of unemployment. I, therefore, want to test if profit sharing can increase the level of output and employment, and lower the rate of unemployment in Canada. For this, I test propositions 1 and 3 as stated in chapter 1.

A share economy is more likely to operate near full capacity (see Epstein's, 1986). An economy which is more likely to operate near full capacity is expected to exhibit less cyclical variability in output (see Weitzman, 1984a and Wadhwani, 1985). This is so because output remains close to full capacity level or equally, it deviates less from full capacity. However, if we relax the assumption that the share

system necessarily operates close to full capacity then the argument of less variability in output does not follow automatically. In other words, the share system may or may not have less variability in output if we relax the assumption that it "always" operates close to full capacity. In this study, therefore, "output variability" and "output level" are both examined using simulation technique.

For profit sharing to be of practical importance, one has to consider its resistance to unemployment and inflation within the "feasible range" of the share parameters. Combinations of the share parameters which keep the share arrangement politically, as well as economically, desirable or at least as an acceptable proposition, form the feasible range of the share parameters.

For the arrangement to be politically acceptable, it must keep the share of factors of production as a percentage of private output more or less close to its (historically) acceptable level so that there is no strong opposition from either one of them. Based on the Canadian data provided by the Statistics Canada, in the wage system in the long run, labor compensation in real terms is nearly 50 percent of private output. This does not necessarily imply that a share system would be rejected by labor if total labor compensation may increase due to a switch to share system despite a decline in its share. However, stability of share over time may indicate a potential resistance in altering it. During 1973-

1983, labor share as a percentage of private output ranged only between 0.482 and 0.512. Its standard deviation during this period was only 0.008 reflecting a narrower range of variations in it on average.

For the arrangement to be economically acceptable, it must not lead to a significant decrease in the level of output and employment, and/or a significant increase in the rate of inflation unless these are of priority importance in a given circumstances. In this study, I place emphasis on the economic feasibility of the share system.

In part two of the chapter, output level is examined while exploring feasible range of share parameters. This at the same time enables me to test proposition 3. According to proposition 3, increase in employment leads to an increase in aggregate demand when an economy switches from a wage system to a share system. By testing proposition 1, output variability is examined in part three of the chapter. According to proposition 1, deviations of actual output from potential output are less responsive to changes in aggregate demand in a share economy than in a wage economy. In other words, a share economy is postulated to reduce output variability.

There are many advantages of reduced output variability (Weitzman, 1984a). In a more stable environment of a share economy, workers could find a share contract more attractive. Moreover, the government budget could be balanced much more

smoothly over a business cycle. Part four of the chapter compares the average labor compensation per worker between the wage economy and the share economy. Concluding remarks are presented in part five of the chapter.

5.2 DETERMINATION OF THE FEASIBLE RANGE OF THE SHARE PARAMETERS AND RELEVANCE OF PROPOSITION 3

In a wage economy, workers are paid wage rate (w),[55] which is independent of the level of output and employment of the firm they are working for. In a share economy, total labor compensation in real term is given by[56]

$$h\ (wL/P) + cQ,$$

where L is employment, Q is output, P is the price level, h is base-wage coefficient, and c is revenue-sharing or profit-sharing coefficient. Thus, it is obvious that the share parameters (h and c) are very important in determining the labor income. Labor income is a major component of personal income, which affects consumption expenditure and, thereby, aggregate demand. Consequently, the basic parameters of the share system (h, c) play an important role in determining the level of output, employment, and price level.

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[55]In a wage economy, wage rate is fixed in the current quarter. In the future quarters, it is affected with a lag by changes in inflation rate and productivity (see chapter 4).

[56] The details of the formula are discussed in Chapter 4.

I examine different scenarios by taking different values for h and c. For simplicity , in each case in this study , uniform values for h and c are applied to the whole economy. In practice, different firms may or may not choose different combinations of share parameters. However, we do not know in advance what combination could be used by different industries.

I scale down the fixed wages of the wage system by 10 percent and 20 percent by assuming h = 0.9 and h = 0.8, respectively. For each value of h, different values of c is examined. For h = 0.9, I assume c = 0.040, 0.045, 0.050, 0.055, 0.060 and for h = 0.8, I assume c = 0.080, 0.090, 0.100, 0.110, 0.120.[57] Since the share of total labor compensation in private output is almost 50 percent, each unit lost in the former is nearly equal to half a unit gain in output. When h is reduced by o.1 from o.9 to 0.8, the corresponding middle value of c is increased by half of that reduction, i.e., by 0.05, from 0.05 to 0.10. In this connection, the wage economy corresponds to h = 1 and c = 0, reflecting 0.1 gain from h = 0.9 associated with 0.05 loss from c = 0.05. Clearly, the wage economy and the share economy with middle c values for each level of h may look to be nearly the same in terms of total compensation for a given

[57] The comparative figures and associated histograms for the share and wage economies are provided for a narrower range of parameter c, in parts A and B of the statistical appendix, respectively (see tables 1.2, 1.3, 1.5, 1.6, 2.2, 2.3, 2.5, 2.6, 3.2, 3.3, 3.5, and 3.6).

level of output. But they are different in terms of the type of compensation system and its implication for output and other variables in the economy, as well as exante share of labor in private output.

For various reasons, I decided to make small changes to reflect share-type compensation (see chapter 1). However, there is no way of determining exactly at what point increases in the share parameters would have appreciable impact on the parameters of the model. But I know that up to 20 percent of the changes are in tune with historical changes taken place in Canada with respect to various other economic variables such as GDP, inflation rate and so on. Consequently, the existing models are equipped to deal with those kind of changes. However, changes in the magnitude of 30 percent or more could be too much to handle by the current models.

5.2.1 WAGE VERSUS SHARE ECONOMY AND THE FEASIBLE RANGE OF THE SHARE PARAMETERS

The following six tables compare the share economy with the wage economy by assuming different values for the share parameters and by taking data for three different periods.[58]

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[58]I used the data available from the Statistics Canada to forecast the data for the wage economy by using the simulation technique. Thus, the wage economy data is also obtained through simulations to make it comparable to the share system data. As simulation results are not an accurate description of reality but one set of approximations to reality.

Each period consists of 12 quarters. These tables represent the average values of the variables in the last four quarters of each simulation period.[59] It takes nearly 12 quarters for all the multiplier and accelerator effects to be realized. The first two years (i.e., first eight quarters) are considered to be the transition period from the wage to the share system. In all of the following tables, SHL refers to the share of labor in private output (rather than GNP).[60]12 The share of capital in private output is represented by 1 - SHL.

TABLE V.1

Comparison of Share and Wage Economy for h = 0.9
1973:4Q - 1976:3Q

	SHARE ECONOMY					WAGE ECONOMY
c:	0.040	0.045	0.050	0.055	0.060	
GNP	30.038	30.306	30.582	30.866	31.159	30.537
EMP	9.717	9.752	9.781	9.804	9.821	9.774
CEP	2.770%	2.810%	2.857%	2.911%	2.970%	2.848%
SHL	48.3	49.0	49.7	50.4	51.1	49.6

[59]In the quarterly figures there may be seasonal components. Therefore, instead of taking quarterly figures I decided to take their average values to filter out seasonal components.

[60]I am limiting the effect of the switch on the labour share in private output, as I know that there are problems in measuring government output.

Notes: GNP stands for Gross National Products (expenditure) in billions of 1971 dollars. The figures correspond to table 1.2 of the statistical appendix, page 2a, yearly average in monthly term, year 3, (divided by 1,000 as figures in the appendix are in millions of 1971 dollars), for cases: 1.1 when c = 0.045, 3.1 when c = 0.050, 5.1 when c = 0.055 and wage-economy. Since a narrower range was used for the results in the appendix, there is no case corresponding to c = 0.040 and c = 0.060 in that appendix (for annual GDP in annual terms, these numbers should be multiplied by 12).

EMP is employment in millions of persons. The figures correspond to table 1.3 of the statistical appendix, page 3a, yearly averages, year 3, (divided by 1,000 as figures in the appendix are in thousands of persons) for c values noted above and wage economy only.

CEP is Rate of Inflation calculated from Implicit Price Index for Consumer Expenditures on Goods and Services. The figures correspond to table 1.5 of the appendix, page 5a, yearly averages, year 3, for c values noted above and wage economy only (to get annual rate of inflation multiply these figures by four).

SHL is Labor Share as a percentage of Private Output. These figures correspond to table 1.6, page 6a, yearly averages, year 3, multiplied by 100, for the c values noted above and wage economy only.

TABLE V.2

Comparison of Share and Wage Economy for h = 0.8
1973:4Q - 1976:3Q

	SHARE ECONOMY					WAGE ECONOMY
c:	0.080	0.090	0.100	0.110	0.120	
GNP	29.596	30.096	30.623	31.183	N.F.[61]	30.537
EMP	9.649	9.726	9.787	9.825	N.F.	9.774
CEP	2.713%	2.778%	2.867%	2.979%	N.F.	2.848%
SHL	47.1	48.4	49.8	51.1	N.F.	49.6

TABLE V.3

Comparison of Share and Wage Economy for h = 0.9
1977:1Q - 1979:4Q

	SHARE ECONOMY					WAGE ECONOMY
c:	0.040	0.045	0.050	0.055	0.060	
GNP	31.598	31.831	32.069	32.314	32.565	32.050
EMP	10.151	10.208	10.261	10.311	10.355	10.258
CEP	2.267%	2.329%	2.398%	2.473%	2.555%	2.399%
SHL	48.4	49.1	49.8	50.5	51.2	49.7

[61]N.F. stands for "non-feasible." Non-feasible are the cases for which numbers in the model either became negative or went out of range so that the computer stopped at those points and, thus, no figures are available for them.

TABLE V.4

Comparison of Share and Wage Economy for h = 0.8
1977:1Q - 1979:4Q

	SHARE ECONOMY					WAGE ECONOMY
c:	0.080	0.090	0.100	0.110	0.120	
GNP	31.197	31.632	32.087	32.565	33.068	32.050
EMP	10.041	10.157	10.264	10.355	10.424	10.258
CEP	2.165%	2.269%	2.397%	2.551%	2.729%	2.399%
SHL	47.1	48.5	49.8	51.2	52.5	49.7

TABLE V.5

Comparison of Share and Wage Economy for h = 0.9
1980:2Q - 1983:1Q

	SHARE ECONOMY					WAGE ECONOMY
c:	0.040	0.045	0.050	0.055	0.060	
GNP	32.179	32.380	32.583	32.790	33.001	32.583
EMP	10.502	10.543	10.580	10.615	10.645	10.579
CEP	1.418%	1.464%	1.515%	1.572%	1.634%	1.511%
SHL	48.9	49.6	50.3	51.1	51.7	50.3

TABLE V.6

Comparison of Share and Wage Economy for h = 0.8
1980:2Q - 1983:1Q

	SHARE ECONOMY					WAGE ECONOMY
c:	0.080	0.090	0.100	0.110	0.120	
GNP	31.816	32.194	32.583	32.984	33.400	32.583
EMP	10.422	10.506	10.582	10.646	10.694	10.579
CEP	1.349%	1.423%	1.519%	1.637%	1.775%	1.511%
SHL	47.5	48.9	50.2	51.6	52.9	50.3

Tables V.1, V.3, and V.5 compare the share economy with the wage economy for three different periods by assuming h = 0.9. From these tables, I find that when the economy switches from the wage system to the share system, the following happens:

(1) If workers are given less than five percent of output as the variable part of labor compensation (i.e., $c < 0.05$), the switch to the share system reduces the total labor share as a percentage of private output. The decline in the labor share is associated with a lower level of output and employment. However, the rate of inflation is lowered.

(2) For $c = 0.05$, the switch leaves the labor share more or less the same as a percentage of private output. The level of output and employment is usually higher (except during 1980-1983, where the level of output remains unchanged). The

rate of inflation may increase slightly (as is the case during the first and the third period) or it may even go down a bit (as is the case during the second period).

(3) For $c > 0.05$, the switch causes an increase in the share of labor as a percentage of private output. This increase in the labor share is accompanied by higher levels of output and employment during all three periods. The rate of inflation is also higher during all periods.

Tables V.2, V.4, and V.6 compare the wage economy with the share economy by assuming $h = 0.8$. Their comparison with tables V.1, V.3, and V.5 reveals that the basic conclusions about the direction of the effects are the same for the two different values of h. In other words, the basic conclusions do not change whether workers are given more share-type income (i.e. $h = 0.8$) or less share-type income ($h = 0.9$).

If I compare the two sets of tables (V.1, V.3, and V.5 with V.2, V.4, and V.6), in terms of the magnitude of the effects, I observe some differences for the two different values of h. These differences are as follows:

(1) When, as a result of the switch, there is an increase in the level of output, employment, and inflation, the increase, is more for $h = 0.8$, as compared to $h = 0.9$, in each corresponding case (e.g., $c = 0.055$ for $h = 0.9$, and $c = 0.110$ for $h = 0.8$).

(2) When, the level of output, employment, and inflation reduces as a result of the switch, the reduction is more for

h = 0.8, as compared to h = 0.9, in each corresponding case (e.g., c = 0.045 when h = 0.9, and c = 0.09 for h = 0.8).

Thus, in case of an increase in them, the increase is greater for more share-type income (as implied by lower values of h's and higher values of c's). These results indicate that the share economy is closer to the potential level of output. When an economy approaches its potential level of output, the rate of inflation is expected to be higher, so the higher rate of inflation is also expected. However, it should be pointed out that when, as a result of the switch, there is a decrease them, the decrease is more for more share-type income. Based on these results, it can be said that the share economy is closer to the potential level of output, as long as the labor share as a percentage of private output either remains more or less constant or increases, as a result of the switch. For a decrease in the labor share, the share economy is further away from the potential level of output.

The following figures (V.1, V.2, and V.3) show the level of output, employment, rate of inflation, and the labor share for the two different values of h and their comparison with the wage system. A quick glance over them reveals that when there is an increase in the level of output, employment, and inflation, the increase is more for more share-type income. Conversely, when there is a decrease, the decrease is more for more share-type income. This is true regardless of the period under consideration. These conclusions reflect consistency of

simulation results. In other words, the direction of change, from wage economy, in the variables under question does not alter when the share component of labor compensation is increased; and the magnitude of change also increases in absolute value.

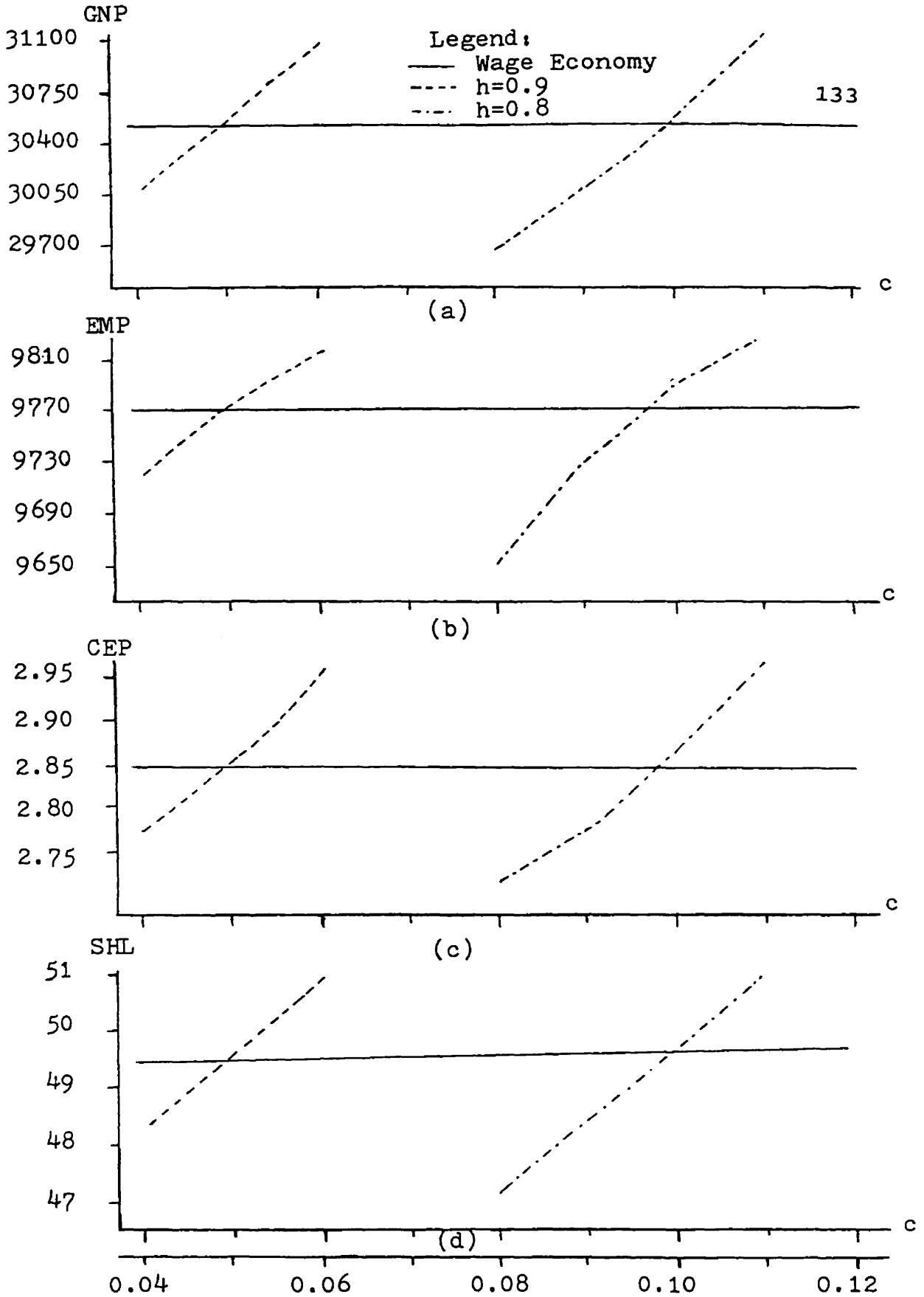


Fig. V.1.a-d: Comparison of Wage and Share Economy, 1973:4Q-1976:3Q

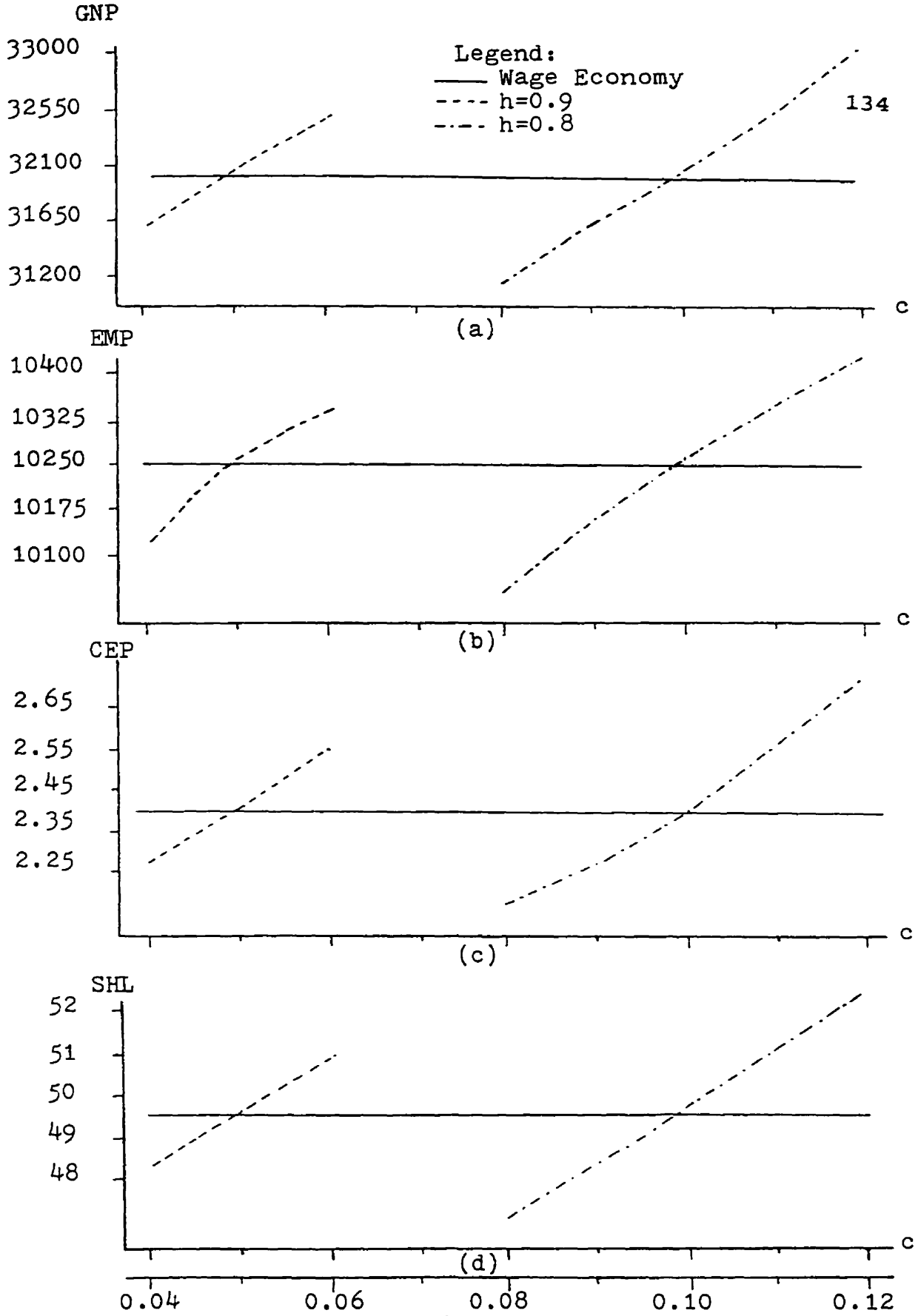


Fig. V.2.a-d: Comparison of Wage and Share Economy, 1977:1Q-1979:4Q

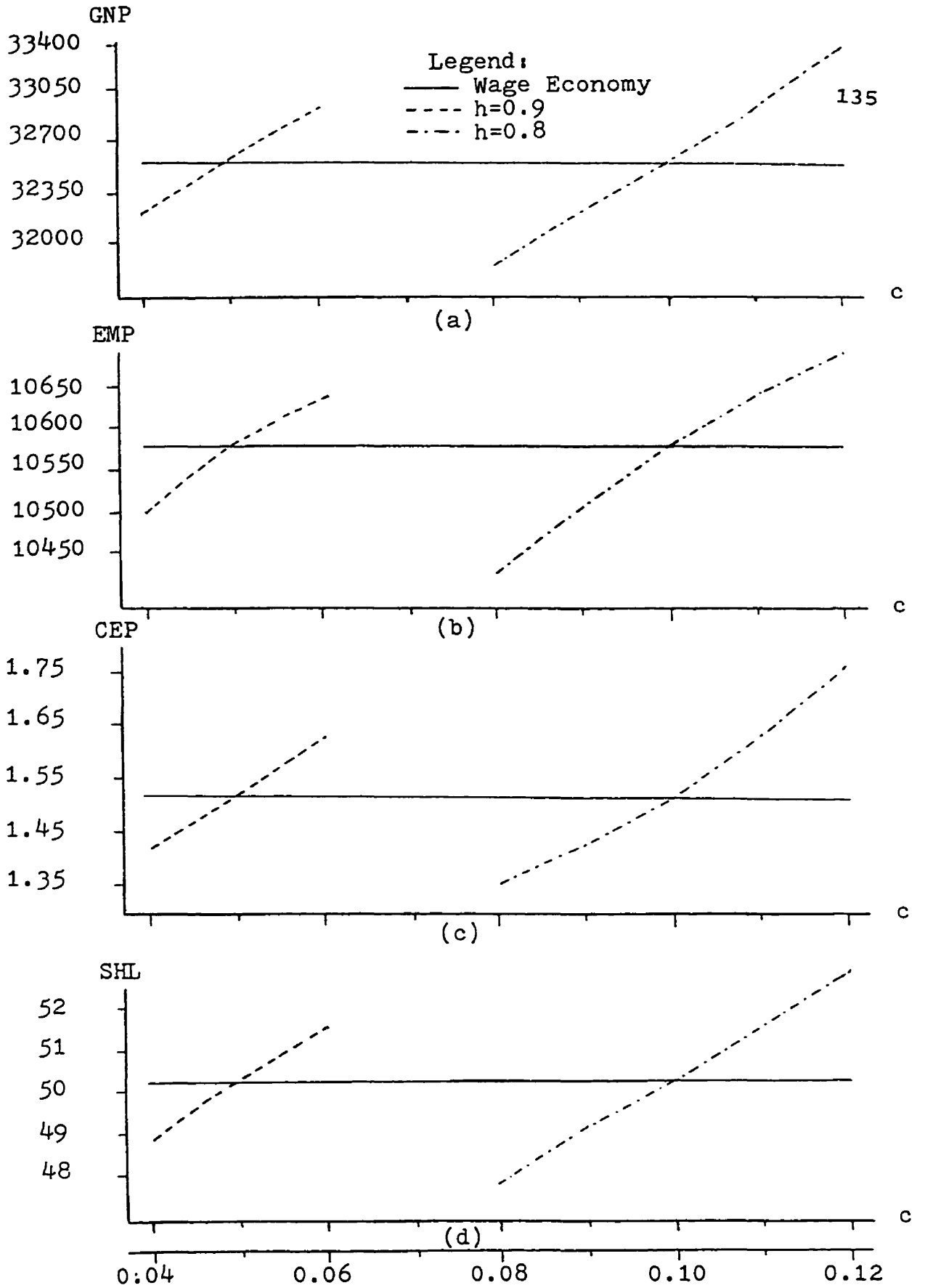


Fig. V.3.a-d: Comparison of Wage and Share Economy, 1980:2Q-1983:1Q

The conclusions drawn from table V.1 are the same as those from tables V.3 and V.5. I also note that the conclusions from table V.2 are the same as those from tables V.4 and V.6. Thus, the basic conclusions about the share economy are usually independent of the period under consideration (with the exception of the effect of the switch on the rate of inflation and that only in the case when the labor share as a percentage of private output remains constant). The basic conclusions drawn from tables V.1, V.3, and V.5 are the same as those from tables V.2, V.4, and V.6, in terms of the direction of the effects. However, there is a difference in the magnitude of the effects, based on whether workers are given more share-type income or less share-type income. In general, I can say the following:

(1) When as a result of the switch, workers' share as a percentage of private output falls (which is the case when $c < 0.05$ for $h = 0.9$ and $c < 0.1$ for $h = 0.8$), the level of output and employment declines. However, the rate of inflation goes down. A reduced level of output and employment is not desirable for the economy as a whole, unless inflation is the overriding concern for the economy.

(2) If the labor share, as a percentage of private output, remains approximately the same as that under the wage system, (which is the case when $c = 0.05$ for $h = 0.9$ and $c = 0.1$ for $h = 0.8$,) the level of output and employment is somewhat higher. Perhaps the rate of inflation may go down or

even may go up a bit, depending slightly on the state of economy. More or less constancy of labor share as a percentage of private output also means the percentage share of capital in private output is somewhat constant. This makes the share arrangement acceptable to both the factors of production.

A higher level of output and employment accompanied by either a slight decrease, or even a modest increase in the rate of inflation, keeps the share system economically acceptable, or even desirable. A higher level of output also suggests that the absolute share of labor and capital in private output may go up as well (although their share as a percentage of private output remains somewhat constant). This makes them (labor and capital) desirous of the share system. An increase in the absolute share of capital can enable a slightly higher level of investment in the economy.

Thus, the combinations of the share parameters which keep the share of factors of production as a percentage of private output approximately the same, make the share arrangement desirable or at least acceptable to all parties involved.

(3) A large increase in the share of labor as a percentage of private output (which is the case when $c > 0.05$ for $h = 0.9$ and $c > 0.1$ for $h = 0.8$), resulting from the switch, is associated with a significant rise in the level of output and employment. However, it is associated with a much higher rate of inflation. Consequently, these combinations of

the share parameters may not be acceptable economically if inflation is an overriding concern.

An increase in the share of labor as a percentage of private output also means a reduction in the share of capital as a percentage of private output. Although the share of capital as a percentage of private output decreases, the higher level of output may enable a higher payment for capital in absolute terms. Besides, higher output may bring in more revenue for the government and, thus, enable the government to compensate the losers. Higher output also means higher profits, as they are assumed to be proportional to output. Thus, the share arrangement becomes less objectionable to the entrepreneurs.

However, if the increase in the output is not enough to keep the share of capital from going down in absolute terms, the level of investment may go down and, thus, cause a reduction in the stock of capital, in the long run. Government can persuade the employers by giving them tax incentives to distribute a smaller part of their dividends to the share holders and keep a proportionately larger part as retained earnings for reinvestment purposes. Thus, there may not be any reduction in the capital stock, in the long run.

Compensation of losers is a welfare argument.[62] Most economists agree that a change is desirable as long as it does

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[62]For further details regarding welfare argument, see Hennipman (1995), Forges (1994), and Mathur (1991).

not decrease anyone's satisfaction and at least one person's satisfaction is increased. Most changes would cause a reduction in someone's satisfaction unless compensation is provided. According to the Kaldor criterion, allocation A is socially preferable to B, if those who gain from A could compensate the losers and still be in a better position than at B. In order to decide exactly how the losers can be compensated, further studies are needed. Some of the solutions may require government intervention.

Weitzman has also discussed the possibility for compensation.[63] He has discussed the compensation of individual firms and employees of the share system in the initial stage, where most of the benefits of the share system are social, for example, increase in the level of employment and output. Individual firms and employees are not able to appropriate them. Weitzman suggests that government should give tax-breaks to share-type income in the initial stage. These combinations of the share parameters may not be acceptable economically, if they lead to a much higher rate of inflation.

(4) The analyses of tables V.1 to V.6 also suggest that there is a trade-off between unemployment and inflation. The level of unemployment can be reduced (i.e., employment can be increased) by accepting a higher rate of inflation. The level of unemployment and inflation are associated with the share of

[63]See Weitzman (1984a, Chapter 9).

labor as a percentage of private output. By increasing the share of labor, the level of unemployment can be reduced at the cost of a higher rate of inflation and vice versa. If inflation is viewed as a more serious problem than unemployment, the share of labor should be kept relatively lower and vice versa.

(5) I also note while analyzing tables V.1 to V.6 that there is a relationship between share of labor, aggregate demand, and the level of employment. If the labor share as a percentage of private output is reduced (due to switch to the share system), it results in a decrease in the aggregate demand (as measured by GNP) and, therefore, lower level of employment and vice versa. Thus, it can be said that aggregate demand is an important determinant of the level of employment.

5.2.2 PROPOSITION 3

Based on the simulation results, there is evidence of the effectiveness of profit sharing related to proposition 3, but only within a certain range of the share parameters. Only those combinations of the share parameters which increase the labor share, or at least keep it more or less constant as a percentage of private output, result in a higher level of aggregate demand and, therefore, a higher level of employment. As noted earlier, it is critical for the claim about the share

economy to hold that a switch to the share system increases the aggregate demand to support a higher level of employment. This is an important result for the effectiveness of profit sharing.

I have provided the wider range of parameter c in search of the feasible range. However, I find that the basic conclusions are valid even in case of the narrower range of parameter c. Moreover, I note that for the narrower range of parameter c, I can even avoid having nonfeasible cases (see part A of the statistical appendix).

5.3 A COMPARISON OF SHARE AND WAGE ECONOMY BASED ON OUTPUT VARIABILITY

In this part, output variability in the wage and share economy is compared. The output variability of the two economies is compared by looking at the mean and the standard deviation of actual output from potential output with and without a demand shock for the two economies.[64] A decrease in output variability is indicated by a lower value of the standard deviation and vice versa. A decrease in mean value for the output gap means the economy is getting closer to the potential output. At the end, a comparison is made between the wage economy and the share economy on the basis of average

[64]The mean and the standard deviations are calculated by using GNP gap data for the two economies.

labor compensation per worker.

5.3.1 DEVIATIONS OF ACTUAL OUTPUT FROM POTENTIAL OUTPUT WITHOUT DEMAND SHOCK: A COMPARISON OF SHARE AND WAGE ECONOMY

This part compares the output variability of the two economies by comparing the mean and standard deviation of actual output from potential output without giving any demand shock to the economies. There are always some shocks going on in the economy. This comparison would enable me to see in which economy there is less output variability in the absence of any additional exogenous shocks. Then, in the following part, the output variability of the two economies is compared in the presence of an additional demand shock.

A comparison of the two economies without an additional shock is presented in the following six tables (V.7-V.12), by taking data for the three different periods and assuming different values for the share parameters.[65] In the following tables, figures are in millions of 1971 dollars.

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[65]In part A (tables 1.1, 2.1, and 3.1) of the statistical appendix, comparative figures for GNP gap for the share and wage economies are provided for a **narrower range** of parameter c, and the results are accompanied by quarterly figures. Histograms are given in part B (tables 1.1, 2.1, and 3.1) of the appendix.

TABLE V.7

Output Variability, Without Demand Shock
1973: 4Q - 1976: 3Q, h = 0.9

	SHARE ECONOMY					WAGE ECONOMY
c:	0.040	0.045	0.050	0.055	0.060	
Mean	1467.6	1339.8	1191.0	1020.0	825.2	1215.4
STD DEV	140.1	121.5	103.1	88.3	83.8	106.0

TABLE V.8

Output Variability, Without Demand Shock
1973: 4Q - 1976: 3Q, h = 0.8

	SHARE ECONOMY					WAGE ECONOMY
c:	0.080	0.090	0.100	0.110	0.120	
Mean	1643.8	1442.8	1167.3	807.4	N.F.	1215.4
STD DEV	168.8	136.1	100.5	83.6	N.F.	106.0

TABLE V.9

Output Variability, Without Demand Shock
1977: 1Q - 1979: 4Q, h = 0.9

	SHARE ECONOMY					WAGE ECONOMY
c:	0.040	0.045	0.050	0.055	0.060	
Mean	2695.8	2585.2	2455.0	2304.1	2131.2	2459.2
STD DEV	72.0	64.6	58.7	57.1	63.2	59.8

TABLE V.10

Output Variability, Without Demand Shock
1977: 1Q - 1979: 4Q, h = 0.8

	SHARE ECONOMY					WAGE ECONOMY
c:	0.080	0.090	0.100	0.110	0.120	
Mean	2855.1	2687.5	2450.6	2136.0	1734.4	2459.2
STD DEV	82.7	69.3	57.9	63.5	100.4	59.8

TABLE V.11

Output Variability, Without Demand Shock
1980: 2Q - 1983: 1Q, h = 0.9

	SHARE ECONOMY					WAGE ECONOMY
c:	0.040	0.045	0.050	0.055	0.060	
Mean	3373.0	3283.5	3176.8	3051.9	2908.0	3179.7
STD DEV	176.8	165.9	153.7	140.4	126.3	153.0

TABLE V.12

Output Variability, Without Demand Shock
1980: 2Q - 1983: 1Q, h = 0.8

	SHARE ECONOMY					WAGE ECONOMY
c:	0.080	0.090	0.100	0.110	0.120	
Mean	3494.2	3364.7	3173.6	2914.9	2582.2	3179.7
STD DEV	191.6	175.1	154.5	130.4	107.8	153.0

Tables V.7, V.9, and V.11 compare the share economy with the wage economy for the three periods by assuming h = 0.9. The following observations can be made from the tables when the switch from the wage system to the share system takes place:

(1) For a reduction in labor share as a percentage of private output (i.e., when c < 0.05), the switch increases the output variability as indicated by higher values of the standard deviation for all three periods. The actual output is also further away from the potential output, as indicated by higher mean values for the output gap. This is true regardless of the period under consideration.

(2) For constant labor share (i.e., c = 0.05), the switch reduces output variability for the first two periods (i.e., 1973:4Q-1976:3Q, 1977:1Q-1979:4Q), as indicated by the lower values of standard deviations for these periods. For the third period (i.e., 1980:2Q-1983:1Q), the output variability increases somewhat, as indicated by a slightly higher value of the standard deviation for this period. The difference is very marginal. Perhaps by looking at a slightly narrower range of parameter c, I could have been able to support the proposition for the share economy, even for the third period. The slightly higher value of the standard deviation during this period could also be due to a difference in the state of the economy. The actual output is closer to the potential output, as indicated by the lower mean values for the output

gap for the three periods.

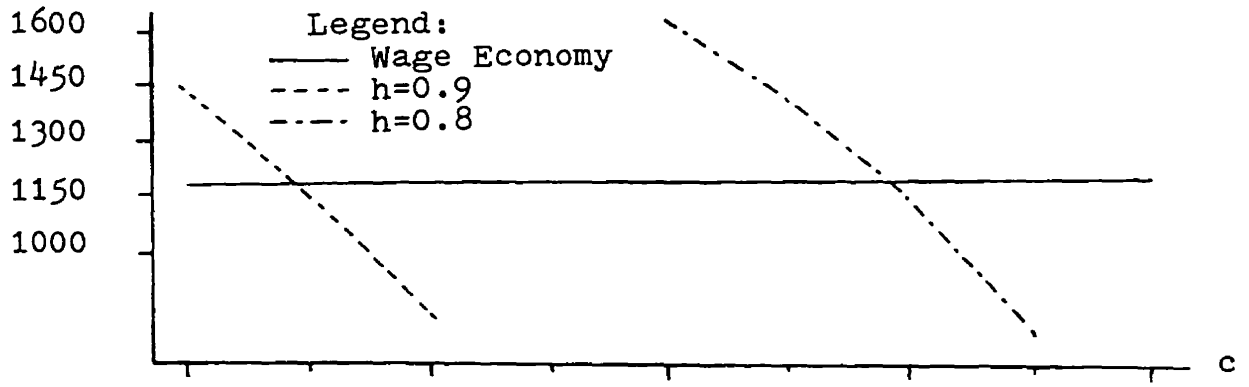
(3) For increase in labor share (i.e., $c > 0.05$), the switch reduces the output variability for the first and the third periods but not for the middle period (1977:1Q-1979:4Q). During the middle period, the output variability increases for $c = 0.06$, as indicated by higher value of the standard deviation for this period. The economy is getting closer to the potential output, as indicated by lower mean values for output gap for the three periods. During the middle period, the economy gets closer to the potential output, but output variability is still increasing. These results suggest that the variability may depend upon the state of the economy. Perhaps, it may be due to an increase in transitory output, which still takes the economy closer to the potential output but fluctuates more, due to a change in the state of the economy.

Tables V.8, V.10, and V.12 compare the wage economy with the share economy for the same three periods by assuming $h = 0.8$. Their comparison with tables V.7, V.9, and V.11 reveals that the basic conclusions about the output variability of the two economies, without giving any demand shock, are the same for the two different values of h, as far as the direction of the effects is concerned. However, if I compare the two sets of tables in terms of the magnitude of the effects, I notice some differences which are as follows:

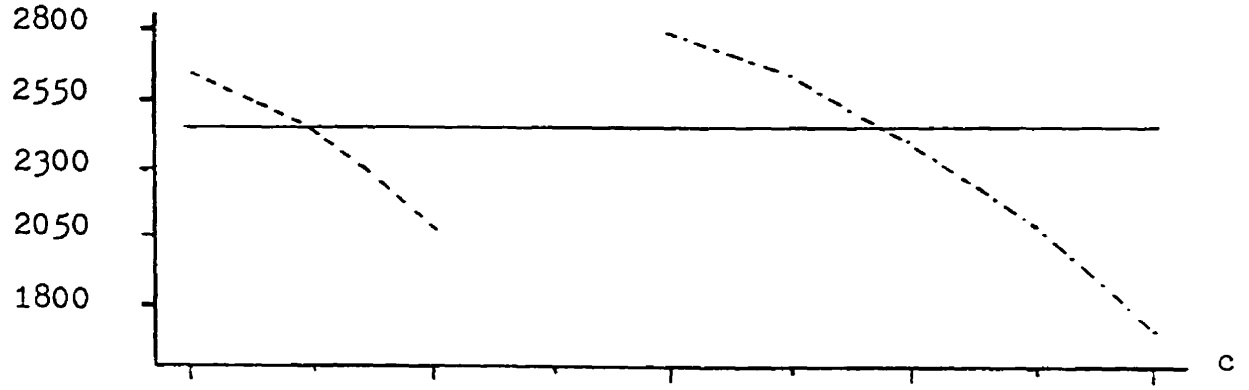
(1) If the switch reduces the output variability and output gap, the reduction is greater for more share-type income in each corresponding case (e.g., c = 0.1 for h = 0.8 and c = 0.05 for h = 0.9).

(2) In the reverse case, when the switch causes an increase, the increase is higher for more share-type income.

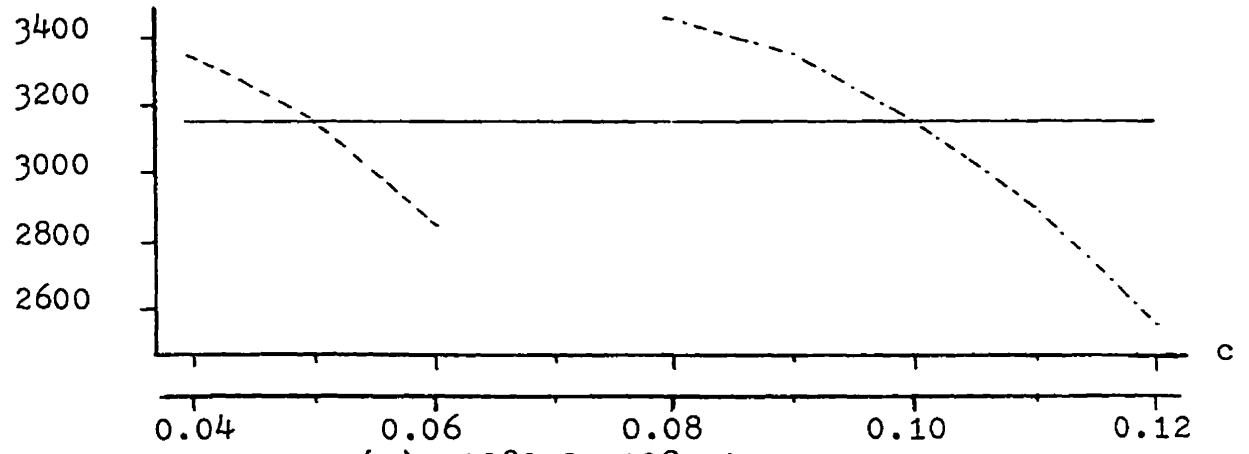
These differences in the output gap and output variability for the different values of h and their comparison with those in the wage economy are shown in figures V.4 and V.5 for the three periods. A quick glance over them reveals that when the switch reduces the output variability and output gap, the reduction is more for more share-type income. Conversely, when there is an increase in them due to the switch, the increase is more for more share-type income. Again these conclusions reflect consistency of simulation results. In other words, the direction of change, from wage economy, in the variable under question does not change when the share component of labor compensation is increased; and the magnitude of change also increases in absolute value.



(a) 1973:4Q-1976:3Q

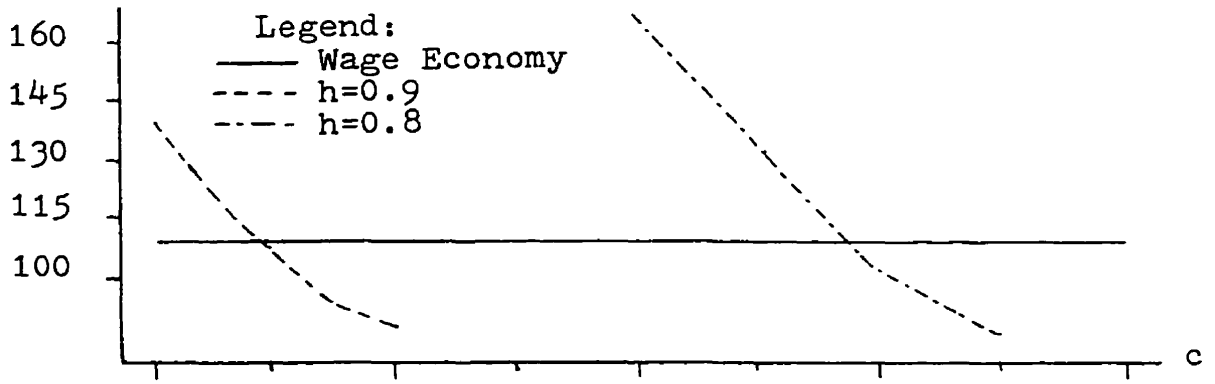


(b) 1977:1Q-1979:4Q

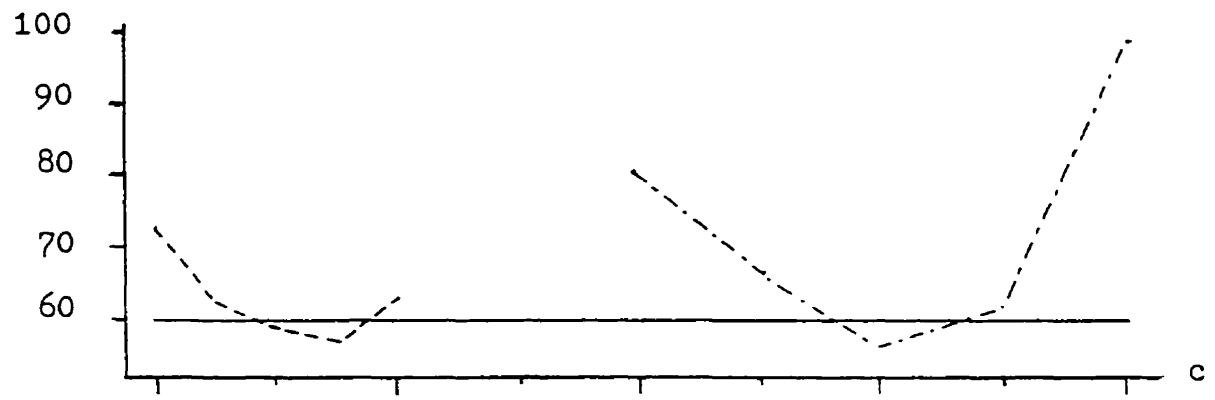


(c) 1980:2Q-1983:1Q

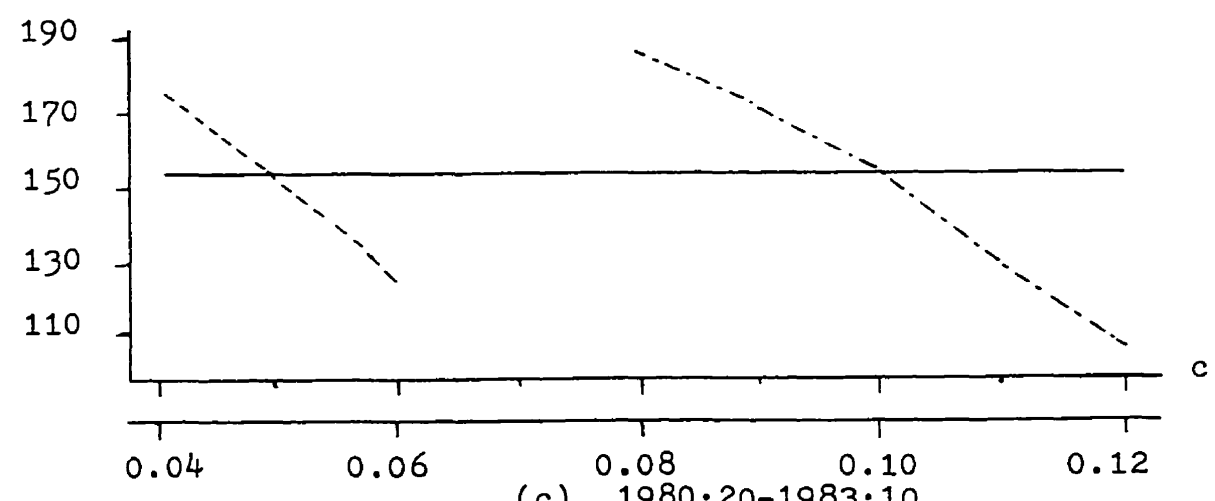
Fig. V.4.a-c: Comparison of Output-Gap in Wage and Share Economy, without Demand Shock



(a) 1973:4Q-1976:3Q



(b) 1977:1Q-1979:4Q



(c) 1980:2Q-1983:1Q

Fig. V.5.a-c: Comparison of Output-Variability in Wage and Share Economy, without Demand Shock

5.3.2 DEVIATIONS OF ACTUAL OUTPUT FROM POTENTIAL OUTPUT WITH DEMAND SHOCK: A COMPARISON OF SHARE AND WAGE ECONOMY

This part of the chapter compares the output variability of the two economies by comparing the mean and standard deviation of actual output from potential output after giving a demand shock to the economies. This comparison of the two economies is presented in the following six tables (V.13-V.18), by taking data for the three different periods and assuming different values for the share parameters.[66]

TABLE V.13

Output Variability, With Demand Shock
1973: 4Q - 1976: 3Q, h = 0.9

	SHARE ECONOMY					WAGE ECONOMY
c:	**0.040**	**0.045**	**0.050**	**0.055**	**0.060**	
Mean	1365.3	1230.4	1074.0	894.6	690.7	1100.4
STD DEV	136.1	117.4	99.6	87.2	87.8	102.4

[66]The comparative figures for GNP gap for the share and wage economies are provided for a **narrower range** of share parameter c, and the results are accompanied by quarterly figures and histograms in part A (see tables J.1, K.1, and L.1) and B of the statistical appendix, respectively. As mentioned earlier, GNP gap figures are used to calculate mean and standard deviation of deviations of actual output from potential output.

TABLE V.14

Output Variability, With Demand Shock
1973: 4Q - 1976: 3Q, h = 0.8

	SHARE ECONOMY					WAGE ECONOMY
c:	0.080	0.090	0.100	0.110	0.120	
Mean	1551.8	1338.4	1048.3	671.1	N.F.	1100.4
STD DEV	165.9	132.0	97.1	87.9	N.F.	102.4

TABLE V.15

Output Variability, With Demand Shock
1977: 1Q - 1979: 4Q, h = 0.9

	SHARE ECONOMY					WAGE ECONOMY
c:	0.040	0.045	0.050	0.055	0.060	
Mean	2605.8	2489.3	2352.8	2195.1	2014.9	2358.2
STD DEV	69.6	62.4	57.5	58.0	67.0	58.3

TABLE V.16

Output Variability, With Demand Shock
1977: 1Q - 1979: 4Q, h = 0.8

	SHARE ECONOMY					WAGE ECONOMY
c:	0.080	0.090	0.100	0.110	0.120	
Mean	2774.0	2596.1	2347.3	2018.9	1601.4	2358.2
STD DEV	80.7	67.1	56.9	67.4	109.7	58.3

TABLE V.17

Output Variability, With Demand Shock
1980: 2Q - 1983: 1Q, h = 0.9

	SHARE ECONOMY					WAGE ECONOMY
c:	0.040	0.045	0.050	0.055	0.060	
Mean	3287.5	3193.2	3081.2	2950.8	2800.9	3084.6
STD DEV	173.4	161.9	149.1	135.3	120.8	148.2

TABLE V.18

Output Variability, With Demand Shock
1980: 2Q - 1983: 1Q, h = 0.8

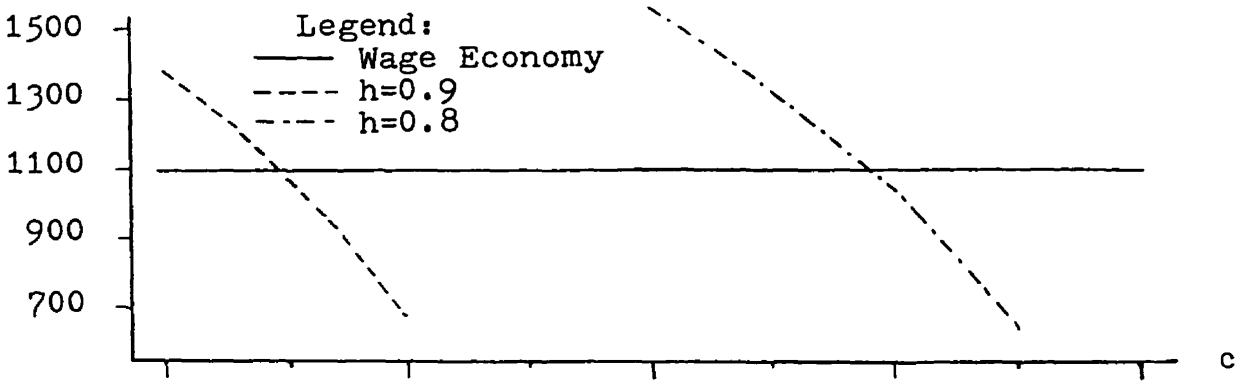
	SHARE ECONOMY					WAGE ECONOMY
c:	0.080	0.090	0.100	0.110	0.120	
Mean	3416.7	3278.6	3077.7	2807.8	2462.5	3084.6
STD DEV	189.4	171.9	150.1	125.2	103.3	148.1

A comparison of tables V.13 to V.18 with tables V.7 to V.12 suggests that the basic conclusions about the output gap and output variability of the two economies remain unchanged, whether I measure them before giving any demand shock or after the demand shock. This should be of no surprise because the economy is always subject to demand (and supply) shocks which are already included in the data for the sample periods in question. Thus, an additional demand shock should yield identical results as those already included in the data. As

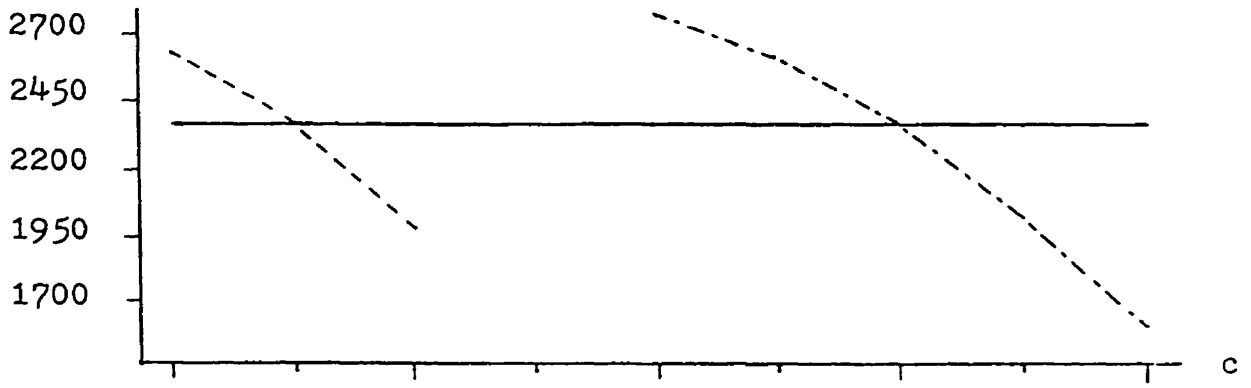
in the case of "without demand shock," there is a difference in the magnitude of change in output gap and output variability for the two different values of h, as indicated by the following diagrams (i.e., V.6 and V.7).

Based on the simulation results, there is evidence for proposition 1. But again, this holds only within a certain range of the share parameters. When the labor share as a percentage of private output remains constant, the switch from the wage system to the share system reduces the output variability for the first two periods, as indicated by the lower values of the standard deviation. For the third period, although, the output variability is increased, the increase is very small. Perhaps a slightly narrower range of the parameter c, could have enabled me to support the proposition even fcr the third period. The economy is also getting closer to the potential level of output, as indicated by lower mean values for the output gap for all three periods.

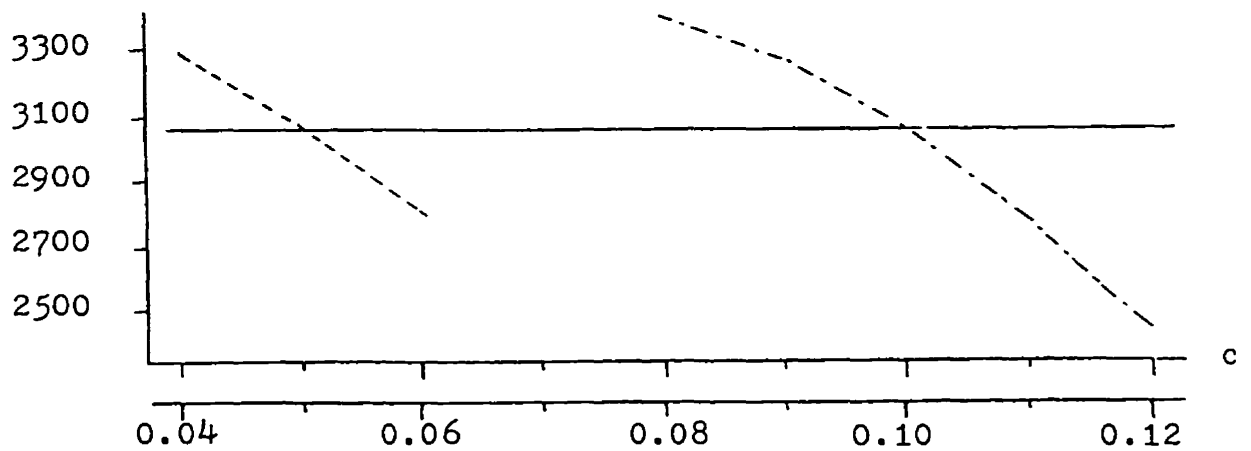
For the rise in the labor share, the output variability is diminished for the first and the third periods, but not for the middle period. The economy is getting closer to the potential level of output. The output variability is increased for a reduction in the labor share. The economy is also getting further away from the potential level of output.



(a) 1973:4Q-1976:3Q

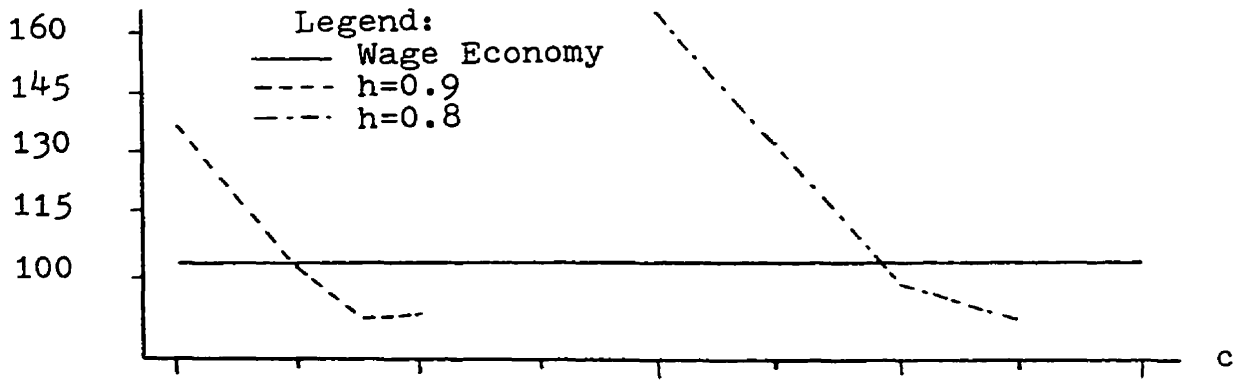


(b) 1977:1Q-1979:4Q

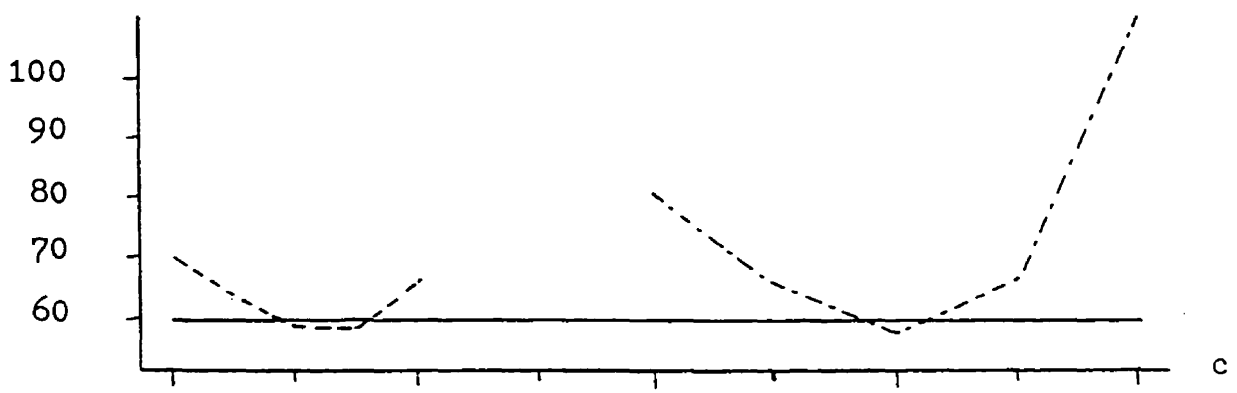


(c) 1980:2Q-1983:1Q

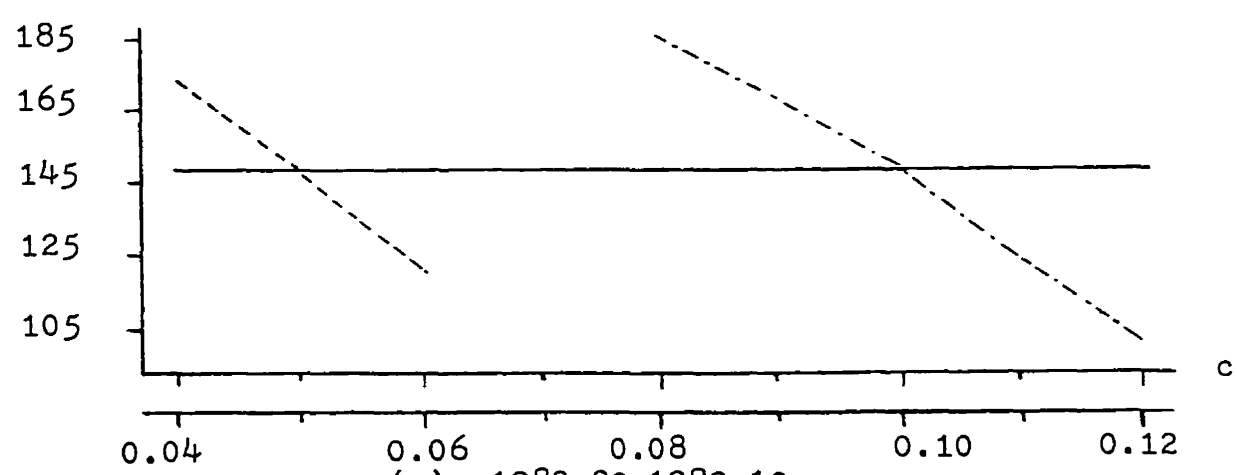
Fig. V.6.a-c: Comparison of Output-Gap in Wage and Share Economy, with Demand Shock



(a) 1973:4Q-1976:3Q



(b) 1977:1Q-1979:4Q



(c) 1980:2Q-1983:1Q

Fig. V.7.a-c: Comparison of Output-Variability in Wage and Share Economy, with Demand Shock

As mentioned earlier, there are some indirect economic advantages of reduced output variability such as a smoother management of government budget. Moreover, the share contracts would be more attractive in a more stable environment.

To test the hypothesis designed to measure the output variability, I only needed to know whether a switch to the share system would increase or lower the value of the mean and standard deviation of output gap. In other words, I only needed to know the direction of change in them. However, as mentioned earlier, through simulation technique I can and did measure the magnitude of change. I also know that the magnitude of the change has some political and economic significance. However, this study on profit sharing, which is based on simulation analysis, is the first of its kind, so I want to limit its scope and keep the analysis simple. Thus, I have decided to leave it for further work in this area to comment in detail on the magnitude of the change in them.[67]

Although, the emphasis is given to the effects of the switch to the share system on employment, output, inflation,

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[67]The magnitude of the change is measured not only by the figures provided in the main text (for the wider range of share parameter c) but also for the figures provided in part A of the statistical appendix (for the narrower range of parameter c). To have a precise estimate of the magnitude of the change, perhaps some more studies need to be conducted by taking many different combination of the share parameters (may be different for different industries), for different periods, and even by taking different models to reflect fast-changing economic conditions.

labor share, and mean and standard deviation of the output gap; the effects of the switch on other variables of interest are also estimated to further examine the relevance and consistency of the simulation results.[68]

I note that the effects of the switch on other variables of interest are consistent with the effects of the switch on the level of output and employment. In cases where there is an increase in the level of output and employment (i.e., when the labor share as a percentage of private output either remains more or less constant or increases after the switch) due to a switch to the share system, as expected, there is an increase in personal income tax, investment expenditure, and consumption expenditure.

5.4 A COMPARISON OF SHARE AND WAGE ECONOMY BASED ON AVERAGE LABOR COMPENSATION PER WORKER

This part of the chapter compares the average labor compensation per worker between the wage economy and the share economy. This comparison of the two economies is presented in the following two tables (V.19-V.18). These tables show the associated average wage rate per hour in private sector for the wage economy and the share economy in constant (1971)

[68]Simulation results for the other variables of interest and associated histograms are given (for the narrower range of the share parameter c) in parts A and B of the statistical appendix, respectively (see tables 1.7, 1.10, 1.11, 2.7, 2.10, 2.11, 3.7, 3.10, and 3.11).

dollars. These results are obtained by dividing total labor compensation per worker in the private sector by the number of working hours in a year (assumed to be 2000 hours). The assumption made about the number of working hours does not affect the ratio of the share-economy to wage-economy wages as it cancels out. It is important to note that share-type labor compensation does not necessarily mean a lower wage rate (average labor compensation per worker) compared to the wage economy. It is also interesting to notice that the difference in wage rate per worker is not drastic within each simulation period. The largest deviation is only minus seven percent when $c = 0.08$ and $h = 0.8$.

TABLE V.19

Average Wage Rate per Hour in Private Sector in Constant (1971) Dollares, h=0.9

Year / c Values:	0.040	0.045	0.050	0.055	0.060	Wage Economy
1973:4Q-1976:3Q	8.96	9.14	9.32	9.52	9.73	9.30
1977:1Q-1979:4Q	9.04	9.19	9.34	9.50	9.66	9.32
1980:2Q-1983:1Q	8.99	9.14	9.29	9.47	9.62	9.30
Ratio to the Wage-Economy Wage Rate						
1973:4Q-1976:3Q	0.963	0.983	1.003	1.024	1.046	1.000
1977:1Q-1979:4Q	0.970	0.986	1.002	1.019	1.037	1.000
1980:2Q-1983:1Q	0.967	0.983	1.000	1.019	1.035	1.000

TABLE V.20

Average Wage Rate per Hour in Private Sector in Constant (1971) Dollares, h=0.8

Year / c Values:	0.080	0.090	0.100	0.110	0.120	Wage Economy
1973:4Q-1976:3Q	8.67	8.99	9.35	9.73	N.F.	9.30
1977:1Q-1979:4Q	8.78	9.06	9.34	9.66	9.99	9.32
1980:2Q-1983:1Q	8.70	8.99	9.27	9.59	9.91	9.30
Ratio to the Wage-Economy Wage Rate						
1973:4Q-1976:3Q	0.932	0.966	1.006	1.047	N.F.	1.000
1977:1Q-1979:4Q	0.942	0.973	1.003	1.037	1.073	1.000
1980:2Q-1983:1Q	0.936	0.967	0.998	1.032	1.066	1.000

Note. N.F. stands for not feasible due to computational problems.

5.5 CONCLUSION

In this chapter, a wider range of the share parameters was examined comparing wage economy and share economy. It was found that those combinations of share parameters which keep the share of labor as a percentage of private output constant, generally lead to higher levels of output and employment and more or less the same rate of inflation. Hence, they make the share arrangement economically acceptable to all parties involved including employers, employees and government.

There seems to be a trade-off between output (and employment) and rate of inflation for other combinations of the share parameters. In fact, lower level of output, employment, and inflation may result in the cases where the share of labor is reduced relative to that in the wage economy. Such cases would not be desirable unless reducing the rate of inflation is an overriding priority. In contrast, higher levels of output, employment and inflation are obtained when the share of labor exceeds that in the wage economy. Clearly, a high level of inflation is not desirable unless increasing the employment and output level is an overriding concern. The output variability was also examined as follows:

Based on Weitzman's proposal of profit sharing, a switch to the share system reduces output variability, regardless of the values of the share parameters. This is based on a theoretical model. Based on a macro model which has been

adjusted for practical factors, I find that the switch does not always reduce the output variability.

The results on output variability are consistent with the conclusions noted earlier. Those combinations of the share parameters which keep the share of labor and capital as a percentage of private output approximately the same as that under the wage system, take the economy closer to the potential level of output and reduce the output variability. Those combinations of the share parameters which reduce the labor share increase the output variability of the share economy in relation to the wage economy. The economy gets further away from potential output. Those combinations of the share parameters which increase the labor share may or may not reduce the output variability. Whether output variability can be reduced depends upon the state of the economy, even though the economy is getting closer to the potential output.

Hence, based on the simulation results of the study, I can say that there is evidence for propositions 1 and 3, but only within a certain range of the share parameters.

As mentioned before, since 1982, more than half of the time the unemployment rate in Canada has been in double digits. Since fiscal policy is being used to reduce budget deficit and monetary policy is supposed to maintain the price stability, perhaps it may be desirable to have a separate policy to lower the rate of unemployment on a permanent basis. It was indicated that perhaps profit sharing may have a

potential to resolve the problem. Share-type labor compensation may motivate the individual firms to expand output and employment.

Based on the simulation results, it can be said that profit sharing can be used in Canada to increase the level of output and employment and lower the rate of unemployment.[69] It can take the economy closer to the potential level of output and reduce the output variability. However, choosing the right combination of the share parameters is the key.

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[69]Based on the simulation results and associated histograms given in parts A and B of the statistical appendix, respectively (for the narrower range of parameter c), as the labour share as a percentage of private output remains more or less constant after a switch to the share system, the size of the labour force goes down and the level of employment goes up. This implies a decrease in the rate of unemployment in the share system in relation to the wage system. This is true for all three periods (see tables 1.3, 1.8, 2.3, 2.8, 3.3, and 3.8).

CHAPTER VI

A COMPARISON OF SHARE AND WAGE ECONOMY, INFLATIONARY BIAS, STABILIZATION POLICIES, AND SUPPLY SHOCKS: POLICY IMPLICATIONS

6.1 INTRODUCTION

Maintaining "price stability" is a responsibility of the Bank of Canada (see chapter 1). In this chapter, I want to test whether a switch to share system can facilitate the task of the bank. Therefore, I want to estimate whether a share system is more resistant to inflation in relation to a wage system. I test propositions 2a and 2b, as stated in chapter 1. According to proposition 2a, government aggregate-demand management has greater influence on inflation in a share economy than in a wage economy.

As mentioned before, in Canada, fiscal policy is being used to reduce budget deficit and only monetary policy is supposed to maintain the price stability. If a switch to the share system makes the monetary policy more effective, then the Bank of canada is required to make only smaller increases in the rate of interest to maintain price stability. Although, in Canada, fiscal policy is not being used to control inflation, I just want to know how its effectiveness

is affected by a partial switch to the share system.

According to proposition 2b, increases in average earnings and import prices have less influence on inflation in a share economy than in a wage economy. By reducing the impact of increases in average earnings and import prices on inflation, the profit sharing can help the Bank of Canada in maintaining the price stability.

A share contract has both indirect as well as direct anti-inflationary effects. A share contract helps absorb the unemployed workers. Thus, in a share economy, while stabilizing the value of money, the government has to be relatively less concern about the negative impact on the level of employment. In other words, the government is more free to stabilize the value of money. This is an indirect but powerful anti-inflationary effect.

A share contract also has some direct anti-inflationary effects. Since a share economy is expected to operate near full capacity, output is more likely to be constrained by the maximum feasible amount. Therefore, in a share economy, stabilization policies such as monetary and fiscal policies are less likely to affect real output and more likely to affect the price level.

Contrary to a share economy, in a wage economy, which is expected to operate below full capacity, output is more likely to respond to monetary and fiscal policies. In a wage economy, prices are simply mark-ups over marginal costs (if I

assume firms are monopolistically competitive) and, thus, less likely to be responsive to these policies. In other words, in a share economy, government is in a better position to influence the price level, and, thus, control the rate of inflation through its demand management policies (see Weitzman 1984a and Wadhwani 1985).

However, if I relax the assumption that the share system necessarily operates close to full capacity then the argument that in the share system demand management policies are less likely to affect output and more likely to affect the price level does not follow automatically. In other words, in a share economy, aggregate demand management policies may or may not have greater influence on inflation in relation to a wage economy. In this study, therefore, for both the economies, effects of demand management policies are examined on both the level of output and the rate of inflation by using simulation technique.

Since a share firm's unit labor costs are inversely related to its level of output, it is directly related to the price of its output (as output and prices are inversely related). Therefore, in a share firm, workers' pay is indexed directly to the price of its output. All changes in price, therefore, automatically appear on the cost side also. Hence, a share firm is less likely to increase price and more likely to decrease it in response to a given shock (e.g., wage-growth shock and import-price shock). In a share economy, therefore,

inflation is likely to be less responsive to increases in wages and import prices (see Weitzman 1984a and Wadhwani, 1985).

A change in the price of the product also affects the level of output, employment, and the revenue of the firm. Hence, the profitability of the firm is affected not only by a change in the cost of production but also by a change in revenue of the firm. Thus, the argument that a share firm is less likely to increase price and more likely to decrease it in response to supply shocks such as wage-growth and import-price shocks, may or may not follow automatically. Therefore, in this study, the impact of supply shocks is examined separately on the level of output, employment and the rate of inflation for both the economies by using simulation analysis.

Propositions 2a and 2b are tested in part two of the chapter. Concluding remarks are presented in part three of the chapter.

6.2 A COMPARISON OF SHARE AND WAGE ECONOMY BASED ON RESPONSIVENESS OF INFLATION TO VARIOUS SHOCKS

I compare the share economy with the wage economy on the basis of responsiveness of inflation to various shocks such as demand-management policy shocks and supply shocks. The demand-management policy shocks are monetary and fiscal policy shocks. The supply shocks are import-price and wage-growth

shocks. I give expansionary policy shocks and contractionary supply shocks.[70]

Although the emphasis is given to the effects of various shocks on the rate of inflation, some other variables of interest are also discussed briefly to further examine the relevance of the simulation results and consistency of the results with the price behavior.[71]

In chapter 5, I compared the wage economy with the share economy for a wider range of the share parameter c. Since simulation results in chapter 5 are compatible with the narrower range, in this chapter, I look at the effects of the various shocks for the narrower range of the share parameter c.[72]

I compare the two economies by assuming different values of the share parameters and by taking data for the same three periods as taken in chapter 5. Each period consists of 12 quarters. The figures used in the analysis are the average

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[70]In selecting the sizes of the shocks, I did not want to get into any other issues such as cross comparison of the policies, which I think is by itself a separate study. So, for practical considerations I decided to choose just simple round numbers so that it would be easy to calculate other related changes as a multiple of them.

[71]Simulation results for some more variables of interest and associated histograms are given in parts A and B of the statistical appendix, respectively.

[72]I also noted in chapter 5 that for some extreme values, the share parameters are numerically unfeasible so that simulation could not be performed. Therefore, for practical consideration I decided to use a narrower range of parameter c, for chapter 6, as well as for the appendix.

values of the variables in the last four quarters of the simulation period.[73] It takes nearly 12 quarters for all the multiplier and accelerator effects to be realised. The first eight quarters are considered to be the transition period from the wage system to the share system. In the following tables, which are used to show the effects of the shocks, D(.) stands for change in (.) compared to the corresponding "Base-Case"[74] and %D(.) for change in (.) compared to the corresponding Base-Case divided by (.) and multiplied by 100. For the specific notations, see the notes given below table VI.1.

6.2.1 MONETARY POLICY SHOCK AND A CHANGE IN THE RATE OF INFLATION

For the monetary policy shock, I change the bank rate. In order to give expansionary monetary policy shock, the existing bank rate is decreased by ten percent (multiplying it by 0.9). A cut in the bank rate, stimulates investment and consumer expenditure and, thereby, aggregate demand. This, in turn, increases the level of output, employment and rate of inflation. For monetary policy to be more effective under a share system than under a wage system, a decrease in the bank

[73]For the same reasons as mentioned in chapter 5, I have decided to use their average values.

[74]"Base-Case" refers to the value of the variable given in the table comparing the share economy with the wage economy without any shock (See tables 1.1 to 3.11 in part A of the statistical appendix).

rate has to lead to a greater increase in the rate of inflation under the former system compared to the latter system.

It should be noted that there are alternative monetary policy instruments. The one examined in this study is interest rate through which the economy may be affected. There is a debate on the effectiveness of monetary policy through changes in the supply of money (rather than interest rate) apart from its impact on rate of inflation and some short run (or transitory) impacts on output and employment. In contrast, sensitivity of economy to changes in the interest rates under usual circumstances (except in the case of "liquidity trap") is widely accepted by economists. The following six tables compare the share economy with the wage economy after a monetary policy shock for the three different periods by assuming different values of the share parameters.

Table VI.1

Comparison of Share and Wage Economy After Monetary Policy Shock for h = 0.9 1973:4Q - 1976:3Q

	SHARE ECONOMY					WAGE ECONOMY
c:	**0.0450**	**0.0475**	**0.0500**	**0.0525**	**0.0550**	
DGNP	377.95	385.21	392.67	400.39	408.34	387.59
DEMP	57.17	55.91	54.52	52.99	51.31	54.64
%DCEP	1.86	1.85	1.84	1.84	1.83	1.83
%DGNPP	2.85	2.85	2.85	2.84	2.84	2.81
DSHL	-37	-38	-39	-41	-42	-46

Notes:

DGNP — Stands for change in Gross National Product compared to the corresponding "Base-Case" GNP (in millions of 1971 dollars). The figures are from table A.2 of the statistical appendix, page 35a, yearly average in monthly term, year 3, for cases 1.1, 2.1...5.1 when h = 0.9, for corresponding cases when h = 0.8, and wage-economy (for annual GDP effect in annual terms the numbers should be multiplied by 12).

DEMP — Change in employment compared to the corresponding "Base-Case" employment (in thousands of persons). The figures are from table A.3 of the appendix, page 36a, yearly averages, year 3, for all the cases mentioned above.

%DCEP — Change in the Rate of Inflation calculated from Implicit Price Index for Consumer Expenditures on Goods and Services divided by the corresponding "Base-Case" rate, multiplied by 100. (i.e., change in the rate of inflation from table A.5 of the appendix, page 38a, divided by the rate of inflation in the Base-Case given in table 1.5, page 5a, multiplied by 100). for example, %DCEP

for case 1.1 when c = 0.0450: 0.05220684/2.810428x100 = 1.8576 or 1.86 approximately.

%DGNPP — Change in the Rate of Inflation calculated from Price Index for Gross National Product divided by the corresponding "Base-Case" rate, multiplied by 100. (i.e., change in the rate of inflation from table A.4 of the appendix, page 37a, divided by rate of inflation in the Base-Case from table 1.4, page 4a, multiplied by 100).

DSHL — Change in the Share of Labor in Private Output compared to the corresponding "Base-Case" Share (multiplied by 100,000). They are from table A.6 of the appendix, page 39a, yearly averages, year 3, multiplied by 100,000. c = 0.0450 corresponds to case 1.1 and c = 0.0475 to case 2.1 and so on. For example, DSHL for case 1.1 when c = 0.0450: -0.0003681083/100,000 = -36.81 or -37 approximately.

TABLE VI.2

Comparison of Share and Wage Economy After Monetary Policy Shock for h = 0.8 1973:4Q - 1976:3Q

	SHARE ECONOMY					WAGE ECONOMY
c:	**0.090**	**0.095**	**0.100**	**0.105**	**0.110**	
DGNP	369.20	382.96	397.52	412.96	429.49	387.59
DEMP	59.27	57.08	54.39	51.17	43.76	54.64
%DCEP	1.88	1.87	1.86	1.84	1.82	1.83
%DGNPP	2.88	2.88	2.88	2.87	2.86	2.81
DSHL	-30	-31	-34	-36	-39	-46

TABLE VI.3

Comparison of Share and Wage Economy After Monetary Policy Shock for h = 0.9 1977: 1Q - 1979: 4Q

	SHARE ECONOMY					WAGE ECONOMY
c:	0.0450	0.0475	0.0500	0.0525	0.0550	
DGNP	346.05	352.00	358.10	364.34	370.74	355.44
DEMP	67.51	66.79	65.95	65.00	63.91	65.75
%DCEP	2.75	2.72	2.70	2.67	2.65	2.69
%DGNPP	4.92	4.88	4.83	4.78	4.72	4.82
DSHL	-26	-27	-28	-29	-30	-32

TABLE VI.4

Comparison of Share and Wage Economy After Monetary Policy Shock for h = 0.8 1977: 1Q - 1979: 4Q

	SHARE ECONOMY					WAGE ECONOMY
c:	0.090	0.095	0.100	0.105	0.110	
DGNP	337.56	348.80	360.59	372.95	385.92	355.44
DEMP	68.76	67.66	66.15	64.17	61.68	65.75
%DCEP	2.80	2.76	2.71	2.66	2.61	2.69
%DGNPP	5.00	4.93	4.84	4.74	4.63	4.82
DSHL	-20	-22	-23	-25	-27	-32

TABLE VI.5

Comparison of Share and Wage Economy after Monetary Policy Shock for h = 0.9 1980: 2Q - 1983: 1Q

	SHARE ECONOMY					WAGE ECONOMY
c:	0.0450	0.0475	0.0500	0.0525	0.0550	
DGNP	524.62	530.43	536.35	542.38	548.53	533.33
DEMP	91.66	90.26	88.82	87.23	85.52	88.25
%DCEP	6.01	5.90	5.79	5.62	5.56	5.78
%DGNPP	11.20	10.84	10.47	10.11	9.76	10.43
DSHL	-58	-60	-61	-62	-63	-71

TABLE VI.6

Comparison of Share and Wage Economy after Monetary Policy Shock for h = 0.8 1980: 2Q - 1983: 1Q

	SHARE ECONOMY					WAGE ECONOMY
c:	0.090	0.095	0.100	0.105	0.110	
DGNP	516.65	527.69	539.15	551.03	563.36	533.33
DEMP	94.41	92.11	89.39	86.22	82.60	88.25
%DCEP	6.21	6.01	5.79	5.57	5.35	5.78
%DGNPP	11.88	12.20	10.51	9.84	9.18	10.43
DSHL	-48	-50	-51	-53	-55	-71

Tables VI.1, VI.3, and VI.5 compare the share economy with the wage economy for the three different periods by

assuming h = 0.9. From these tables I find that when a switch from the wage system to the share system takes place, the following happens:

(1) Monetary policy is more effective (i.e., has more impact on inflation) under the share system than under the wage system, as long as the labor share as a percentage of private output is either decreasing or remains constant after the switch (i.e., as long as $c \leq 0.05$).[75] This is true, regardless of the period under consideration.

(2) As soon as the labor share, as a percentage of private output, starts increasing after the switch (i.e., $c > 0.05$), the monetary policy ceases to be more effective under the share system in relation to the wage system, during the last two periods (i.e., 1977-79 and 1980-1983). However, during the first period (i.e., 1973-1976), it continues to be more effective under the share system than under the wage system. It is more so for GNPP than for CEP. Perhaps, this difference between the first and the last two periods could be due to a difference in economic conditions. Based on the simulation results, during the first period, the capacity utilisation level was higher than that during the remaining two periods. For example, during first period, the GNP gap

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[75]Recall that based on the simulation results given in chapter 5, the labour share as a percentage of private output reduces after a switch to the share system for $c < 0.05$ for $h = 0.9$ and $c < 0.1$ for $h = 0.8$. It remains constant for $c = 0.05$ for $h = 0.9$ and $c = 0.1$ for $h = 0.8$. It increases for $c > 0.05$ for $h = 0.9$ and $c > 0.1$ for $h = 0.8$.

was nearly five percent of GNP; whereas, during the second and the third period, it was nearly seven percent and ten percent of GNP, respectively.[76] Because of relatively higher level of capacity utilisation during the first period (in relation to the last two periods), the expansionary monetary policy caused relatively more increase in prices and less increase in output.

I note that the share of labor is reduced because a reduction in the bank rate, other things remaining constant, increases investment and, thereby, the share of nonlabor inputs in the private output. This result is also consistent with more reduction in the labor share as c increases. Such reduction in the labor share and, consequently, less pressure on demand, provides an explanation of why the increase in the rate of inflation is less as c increases.

In all three periods, as c increases, the positive effect on output increases and that on employment reduces. This implies that more capital-intensive techniques are being employed (or productivity rises) when c is increased (i.e., when the variable part of labor compensation is increased).

As expected, in the three periods, as the positive impact on output increases, the positive impact on consumption expenditure, investment expenditure, and personal income tax

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[76] The capacity-utilisation rate is measured by calculating the GNP gap as a percentage of GNP by using simulation results for the wage economy. For the data for GNP gap and GNP, see tables 1.1, 1.2, 2.1, 2.2, 3.1, and 3.2 in part A of the statistical appendix.

in current dollars, also increases. Thus, the simulation results are consistent and reliable.[77]

Tables VI.2, VI.4, and VI.6 compare the share economy with the wage economy by assuming h = 0.8. Their comparison with tables VI.1, VI.3, and VI.5, indicates that the basic conclusions about the effects of the bank-rate shock are the same for the two different values of h, as far as the direction of the effects is concerned.

If I compare the two sets of tables in terms of the magnitude of the effects, I note some differences. These differences are as follows:

(1) As long as monetary policy is more effective (i.e., has more impact on inflation) under the share system than under the wage system, its effectiveness is more for h = 0.8 as compared to h = 0.9, by comparing corresponding cases (e.g., c = 0.05 for h = 0.9, and c = 0.10 for h = 0.8). In other words, in this case, the policy is even more effective, if workers are given more share-type income. Thus, these results support the claim about profit sharing.

(2) If as a result of the switch (from the wage system to the share system), monetary policy becomes less effective, its effectiveness decreases further, as workers are given more share-type income. These results are nonsupportive of profit sharing.

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[77]See part A of the statistical appendix (tables A.7, A.10 A.11, B.7, B.10, B.11, C.7, C.10, and C.11).

These results are indication of the consistency of simulation results. The direction of change does not alter as the share component of labor compensation is increased. The results are summarized in the following table.

TABLE VI.7

Monetary Policy Shock: Summary of the Results[a] and Value of the Main Variable Expected to Cause the Difference[b]

Period	SHL-D	SHL-C	SHL-I	GNP Gap[c]
1973:4Q-1976:3Q	S	S	S	(5%)
1977:2Q-1979:4Q	S	S	N	(7%)
1980:2Q-1983:1Q	S	S	N	(10%)

a. SHL-D stands for decrease in the labor share as a percentage of private output (i.e., $c < 0.05$ for $h = 0.9$ and $c < 0.1$ for $h = 0.8$).
SHL-C stands for constant labor share as a percentage of private output (i.e., $c = 0.05$ for $h = 0.9$ and $c = 0.1$ for $h = 0.8$).
SHL-I stands for increase in labor share as a percentage of private output (i.e., $c > 0.05$ for $h = 0.9$ and $c > 0.1$ for $h = 0.8$).

b. 'S' and 'N' indicate the supportive and nonsupportive cases of profit sharing, respectively.

c. As mentioned before, GNP gap is measured as a percentage of GNP using simulation results for the wage economy (the data are given in part A of the statistical appendix).

6.2.2 FISCAL POLICY SHOCK AND A CHANGE IN THE RATE OF INFLATION

In order to give expansionary fiscal policy shock, the government expenditure is increased by 100 million dollars per quarter in constant dollars. An increase in government expenditure causes an increase in aggregate demand and, hence, higher rate of inflation. For fiscal policy to be more effective under a share system than under a wage system, the increase in the rate of inflation, in response to an increase in the government expenditure, has to be more under the former system, in relation to the latter system.[78]

The following six tables compare the two economies by assuming different values for the share parameters and by taking data for the three different periods. (In this case, changes in the labor share are small compared to other shocks due to a general change in the aggregate demand as opposed to a change in a particular input/output price).

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[78]I would like to reiterate that in Canada, fiscal policy is not being used to control inflation (see chapter 1). However, I just want to know how its effectiveness is affected by a partial switch to the share system.

TABLE VI.8

Comparison of Share and Wage Economy After Fiscal Policy Shock for h = 0.9 1973: 4Q - 1976: 3Q

	SHARE ECONOMY					WAGE ECONOMY
c:	0.0450	0.0475	0.0500	0.0525	0.0550	
DGNP	188.35	190.33	192.39	194.57	196.88	190.71
DEMP	37.82	36.81	35.73	34.57	33.33	35.67
%DCEP	5.58	5.66	5.75	5.84	5.93	5.66
%DGNPP	10.86	11.11	11.35	11.60	11.85	11.14
DSHL	4.0	3.6	3.2	2.6	2.2	3.5

TABLE VI.9

Comparison of Share and Wage Economy After Fiscal Policy Shock for h = 0.8 1973: 4Q - 1976: 3Q

	SHARE ECONOMY					WAGE ECONOMY
c:	0.090	0.095	0.100	0.105	0.110	
DGNP	186.27	189.94	193.96	198.43	203.58	190.71
DEMP	39.62	37.85	35.79	33.42	30.71	35.67
%DCEP	5.49	5.66	5.83	6.01	6.20	5.66
%DGNPP	10.60	11.06	11.54	12.03	12.54	11.14
DSHL	4.1	3.5	2.8	1.9	0.8	3.5

TABLE VI.10

Comparison of Share and Wage Economy After Fiscal Policy Shock for h = 0.9 1977: 1Q - 1979: 4Q

	SHARE ECONOMY					WAGE ECONOMY
c:	0.0450	0.0475	0.0500	0.0525	0.0550	
DGNP	164.69	166.02	167.38	168.77	170.20	166.45
DEMP	43.40	42.81	42.15	41.42	40.62	41.90
%DCEP	5.92	6.05	6.13	6.22	6.30	6.07
%DGNPP	10.12	10.35	10.59	10.83	11.07	10.48
DSHL	7.8	7.5	7.3	7.1	6.8	8.1

TABLE VI.11

Comparison of Share and Wage Economy After Fiscal Policy Shock for h = 0.8 1977: 1Q - 1979: 4Q

	SHARE ECONOMY					WAGE ECONOMY
c:	0.090	0.095	0.100	0.105	0.110	
DGNP	163.1	165.59	168.21	170.96	173.84	166.45
DEMP	44.54	42.81	42.15	41.42	40.62	41.90
%DCEP	5.88	6.04	6.20	6.37	6.54	6.02
%DGNPP	9.79	10.23	10.69	11.17	11.67	10.48
DSHL	7.2	7.5	7.3	7.1	6.8	8.1

TABLE VI.12

Comparison of Share and Wage Economy After Fiscal Policy Shock for h = 0.9 1980: 2Q - 1983: 1Q

	SHARE ECONOMY					WAGE ECONOMY
c:	0.0450	0.0475	0.0500	0.0525	0.0550	
DGNP	153.58	154.45	155.34	156.24	157.17	154.84
DEMP	38.54	38.03	37.48	36.89	36.24	37.14
%DCEP	5.83	5.89	5.99	6.11	6.23	5.89
%DGNPP	9.03	9.20	9.37	9.54	9.72	9.27
DSHL	6.9	6.8	6.7	6.6	6.4	7.3

TABLE VI.13

Comparison of Share and Wage Economy After Fiscal Policy Shock for h = 0.8 1980: 2Q - 1983: 1Q

	SHARE ECONOMY					WAGE ECONOMY
c:	0.090	0.095	0.100	0.105	0.110	
DGNP	152.44	154.07	155.76	157.53	159.38	154.84
DEMP	39.61	38.78	37.79	36.64	35.29	37.14
%DCEP	5.78	5.88	5.99	6.11	6.23	5.89
%DGNPP	8.80	9.12	9.46	9.81	10.18	9.27
DSHL	6.4	6.2	6.0	5.8	5.6	7.3

Tables VI.8, VI.10, and VI.12 compare the share and the wage economy for the three periods by assuming h = 0.9. The

following observations can be made:

(1) As long as the labor share as a percentage of private output either remains constant or increases (i.e., $c \geq 0.05$), the fiscal policy is more effective (i.e., has more impact on inflation) under the share system than under the wage system, regardless of the period under consideration.

(2) As soon as the labor share as a percentage of private output starts decreasing (i.e., $c < 0.05$), fiscal policy ceases to be more effective under the share system in relation to the wage system. However, during the first period, it continues to be equally effective up to a certain point. But this is true only for the rate of inflation calculated from implicit price index for the consumer expenditure on goods and services (i.e., CEP). Again, it can be attributed to the high rate of capacity utilization during this period.

Thus, I note that in all three periods as c increases, fiscal policy becomes more effective (i.e., has more impact on inflation) under the share system in relation to the wage system. I also note that as c increases, the positive effect on output increases and that on employment decreases. This again implies (as was the case for monetary policy) that the more capital-intensive techniques are being employed (or productivity increases) when c is increased (i.e., when workers are given a greater percentage of private output as a variable part of labor compensation). This result about reduction in the positive effect on employment is also

consistent with less increase in labor share as c increases.

As expected, as the positive effect on output increases, the positive effect on consumption expenditure, investment expenditure, and personal income tax increases. Based on these effects, it can be said that the simulation results are consistent and reliable.[79]

Tables VI.9, VI.11, and VI.13 compare the share economy with the wage economy for the same three periods by assuming h = 0.8. Their comparison with tables VI.8, VI.10, and VI.12 reveals that the basic conclusions about the effects of the government-expenditure shock remain unchanged, as far as the direction of the effects is concerned.

A comparison of the two sets of tables in terms of the magnitude of the effects, reveals the following differences:

(1) As long as fiscal policy is more effective (i.e., has more impact on inflation) under the share system than under the wage system, its effectiveness is more for h = 0.8, as compared to h = 0.9, for each corresponding case. In other words, in this case the effectiveness of fiscal policy can be increased by giving workers more share-type income. These results are supportive of profit sharing.

(2) If the effectiveness of the policy is reduced as a result of the switch, then the reduction is higher for more share-type income. These results are nonsupportive of profit

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[79]See part A of the statistical appendix (tables J.7, J.10, J.11, K.7, K.10, K.11, L.7, L.10, and L.11).

sharing.

The same as in case of monetary policy, the conclusions about the effectiveness of fiscal policy reflect consistency of simulation results. These results are summarized in table VI.14.

TABLE VI.14

Fiscal Policy Shock: Summary of the Results[a] and Value of the Main Variable Expected to Cause the Difference[b]

Period	SHL-D	SHL-C	SHL-I	GNP Gap[c]
1973:4Q-1976:3Q	S	S	S	(5%)
1977:2Q-1979:4Q	N	S	S	(7%)
1980:2Q-1983:1Q	N	S	S	(10%)

a. For the meaning of SHL-D, SHL-C, and SHL-I, see table VI.7.
b. 'S' and N' indicate the supportive and nonsupportive cases of profit sharing, respectively.
c. Measured as a percentage of GNP using simulation results for the wage economy.

The simulation results given in table VI.7 for the monetary policy shock, and in table VI.11 for the fiscal policy shock reveal that the switch from the wage economy to the share economy has the following implications:[80]

(1) The effectiveness (i.e., the inflation impact) of both fiscal and monetary policies increases for c = 0.05.

[80]For a discussion regarding monetary and fiscal policies in Canada, see Smithin (1994), Laidler and Robson (1993), Bank of Canada (1992), Perry (1989), and Romer and Romer (1989).

(2) For $c < 0.05$, the effectiveness of monetary policy increases in all three periods; whereas, that of the fiscal policy reduces, except for the first period which is characterised by a relatively high level of capacity utilization.

(3) In contrast to the second result, for $c > 0.05$, the effectiveness of fiscal policy increases (for all three periods), while that of monetary policy declines, except for the first period, which, as mentioned above is characterized by a relatively high level of capacity utilization.

For all the cases, the results are clearly supportive of proposition 2a, once the economy is in a near full-employment situation (which is what Weitzman assumed to be the case all the time). From the following point of view, the irregularity of nonsupportive cases for relatively low level of capacity utilization is not surprising. Expansionary fiscal policy stimulates the economy through aggregate demand by inducing more employment and, thereby, a rise in the labor income. That, in turn, increases the aggregate demand even further. Apparently, such policy, when accommodated with a rise in labor share, would become more effective and vice versa.

On the other hand, expansionary monetary policy increases the aggregate demand by inducing more investment through reduction in the cost of borrowing. Consequently, an increase in the share of capital (i.e., reduction in the share of labor) accelerates the latter process and vice versa.

In brief, as long as the labor share as a percentage of private output remains the same under the share system, as in the wage system, both policies are more effective in the former system in terms of affecting the rate of inflation. When the labor share declines, monetary policy becomes more effective. In contrast, when the labor share increases, fiscal policy becomes more effective.

6.2.3 WAGE-GROWTH SHOCK AND A CHANGE IN THE RATE OF INFLATION

I give a contractionary wage-growth shock by increasing the average earnings by one percent per quarter. The average earnings in the wage system is defined as the wage rate, and in the share system as a combination of fixed and variable labor compensation per worker, as given by the formula[81]

$$w(L) = h \times w + c\ (R/L).$$

where w is the fixed wage rate, L is employment, R is revenue and h and c are the share parameters. Recall that for the wage system, the model is solved using w as average earnings,

[81]It is this figure which is used to replace the wage rate of the wage system in supply of labour equation, and in the computation of unit labour cost affecting the price. This figure is inflated by one percent for the wage shock, to keep the shock at the same amount in both the systems. In the long run, the variables on the right-hand side of the wage equation such as productivity, inflation and unemployment rate would, of course, be different in the share and the wage system. Consequently, the dynamics of the fixed component of the average earnings is different in the share system than its counterpart in the wage system.

and for the share system, the model is solved using w(L).

According to proposition 2b, an increase in the average earnings will have less influence on inflation in a share economy than in a wage economy. For the claim about the less inflationary effect of wage-growth shock to hold, an increase in the average earnings has to lead to less increase in the rate of inflation under the former system, in relation to the latter system. The following six tables compare the share economy with the wage economy for the three different periods after giving the wage-growth shock and by assuming different values for the share parameters.

TABLE VI.15

Comparison of Share and Wage Economy After Wage-growth Shock for h = 0.9 1973: 4Q - 1976: 3Q

	SHARE ECONOMY					WAGE ECONOMY
c:	**0.0450**	**0.0475**	**0.0500**	**0.0525**	**0.0550**	
DGNP	-336.13	-333.18	-330.17	-327.11	-324.01	-329.56
DEMP	-56.38	-56.26	-56.24	-56.33	-56.53	-56.45
%DCEP	9.36	9.34	9.31	9.28	9.25	9.32
%DGNPP	10.68	10.60	10.52	10.43	10.33	10.56
DSHL	53	53	52	51	51	60

TABLE VI.16

Comparison of Share and Wage Economy After Wage-growth Shock for h = 0.8 1973: 4Q - 1976: 3Q

	SHARE ECONOMY					WAGE ECONOMY
c:	0.090	0.095	0.100	0.105	0.110	
DGNP	-342.14	-336.56	-330.75	-324.78	-318.73	-329.56
DEMP	-56.67	-56.18	-56.05	-56.32	-57.04	-56.45
%DCEP	9.38	9.35	9.30	9.24	9.16	9.32
%DGNPP	10.77	10.64	10.48	10.30	10.10	10.56
DSHL	46	45	44	43	42	60

TABLE VI.17

Comparison of Share and Wage Economy After Wage-growth Shock for h = 0.9 1977: 1Q - 1979: 4Q

	SHARE ECONOMY					WAGE ECONOMY
c:	0.0450	0.0475	0.0500	0.0525	0.0550	
DGNP	-270.01	-266.43	-261.72	-258.90	-254.94	-261.88
DEMP	-42.61	-42.41	-42.32	-42.34	-42.48	-42.21
%DCEP	11.69	11.60	11.49	11.38	11.27	11.49
%DGNPP	14.20	13.99	13.77	13.54	13.31	13.78
DSHL	40	39	39	38	37	44

TABLE VI.18

Comparison of Share and Wage Economy After Wage-growth Shock for h = 0.8 1977: 1Q - 1979: 4Q

	SHARE ECONOMY					WAGE ECONOMY
c:	**0.090**	**0.095**	**0.100**	**0.105**	**0.110**	
DGNP	-277.21	-270.59	-263.51	-255.95	-247.91	-261.88
DEMP	-43.38	-42.72	-42.42	-42.53	-43.13	-42.21
%DCEP	11.88	11.70	11.50	11.28	11.04	11.49
%DGNPP	14.57	14.18	13.76	13.31	12.84	13.78
DSHL	35	34	33	32	30	44

TABLE VI.19

Comparison of Share and Wage Economy After Wage-growth Shock for h = 0.9 1980: 2Q - 1983: 1Q

	SHARE ECONOMY					WAGE ECONOMY
c:	**0.0450**	**0.0475**	**0.0500**	**0.0525**	**0.0550**	
DGNP	-342.86	-340.74	-338.52	-336.23	-333.84	-337.23
DEMP	-57.71	-57.27	-56.89	-56.57	-56.33	-56.87
%DCEP	27.99	18.89	18.65	18.40	18.14	18.68
%DGNPP	35.29	30.66	29.69	28.72	27.75	29.82
DSHL	55	55	55	54	54	63

TABLE VI.20

Comparison of Share and Wage Economy After Wage-growth Shock for h = 0.8 1980: 2Q - 1983: 1Q

	SHARE ECONOMY					WAGE ECONOMY
c:	0.090	0.095	0.100	0.105	0.110	
DGNP	-347.82	-343.94	-339.74	-335.20	-330.33	-337.23
DEMP	-58.83	-57.77	-56.93	-56.32	-56.00	-56.86
%DCEP	19.51	19.08	18.61	18.11	17.59	18.68
%DGNPP	33.34	31.46	29.55	27.67	25.85	29.82
DSHL	48	47	47	46	46	63

Tables VI.15, VI.17, and VI.19 compare the share economy with the wage economy for the three periods by assuming h = 0.9. From these tables I note the following:

(1) The claim about the less inflationary effect of wage-growth shock does not hold as long as labor share as a percentage of private output goes down (i.e., c < 0.05). This is true regardless of the period under consideration.

(2) When the labor share remains constant, the claim is being supported for the two periods (i.e., 1973-1976 and 1980-1983), out of the three. For 1977-1979, the claim holds for change in the rate of inflation calculated from price index for gross national product (GNPP) but not that for consumer expenditure (CEP). However, the difference is very small. I also note that, during 1977-1979, the decrease in output and

employment is less significant in relation to the other two periods. So one possible explanation could be that in this period, output and employment are affected less than they are in the other two periods. Thus, the wage-growth shock is absorbed relatively more by a change in the price level.

(3) As long as the labor share as a percentage of private output is more than that under the wage system (i.e., $c > 0.05$), the claim about the less inflationary effect of wage-growth shock holds, regardless of the period under consideration.

I note that as c increases, an increase in average earnings is less inflationary. This is also consistent with less rise in the labor share as c increases. An increase in the average earnings shoots up the cost of production. Therefore, a reduction in output and employment is expected. The negative impact on output reduces as workers are given more share-type income (i.e., as c increases). These results are supportive of profit sharing.

As expected, for all three periods, there is a positive impact on consumption expenditure and personal income tax. As long as the labor share as a percentage of private output either goes down or remains somewhat constant, there is a negative impact of the shock on the level of investment, and this negative impact reduces as c rises. For increase in labor share, there is a positive impact of the shock on investment, and the positive impact is increased as workers

are given more share-type income.[82]

Tables VI.16, VI.18, and VI.20 compare the share economy with the wage economy by assuming h = 0.8. Their comparison with tables VI.15, VI.17, and VI.19 reveals that the basic conclusions about the effects of a wage-growth shock are more or less the same for h = 0.8, as those for h = 0.9, as far as the direction of the effects is concerned. However, in terms of the magnitude of the effects, the tables reveal the following differences:

(1) As long as the switch to the share system reduces the effect of an increase in the average earnings on the rate of inflation, the reduction in the effect is more for h = 0.8, as compared to the h = 0.9, for each corresponding case. In other words, in this case, the reduction in the effect is more if workers are given more share-type income. These results support the claim about the wage-growth shock.

(2) If as a result of the switch, the effect of an increase in the average earnings is greater on the rate of inflation, the increase in the effect is more for more share-type income. The results in this case do not support the claim about the wage-growth shock.

The same as in case of demand management policy shocks, these conclusions about the effects of import-price shock reflect consistency of simulation results. In other words,

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[82]See part A of the statistical appendix (tables D.7, D.10, D.11, E.7, E.10, E.11, F.7, F.10, and F.11).

the direction of change, from wage economy does not alter when the share component of labor compensation is increased, and the magnitude of change is also increased in absolute value.

These results are summarized in table VI.21.

TABLE VI.21

Wage-growth Shock: Summary of the Results[a] and Value of the Main Variable(s) Expected to Cause the Difference[b]

Period	SHL-D	SHL-C	SHL-I	Q or L[c]
1973:4Q-1976:3Q	N	S	S	Decrease
1977:2Q-1979:4Q	N	S[d]	S	Moderate Decrease
1980:2Q-1983:1Q	N	S	S	Decrease

a. For the meaning of SHL-D, SHL-C, and SHL-I, see table VI.7.
b. 'S' and 'N' indicate the supportive and nonsupportive cases of the profit sharing, respectively.
c. Where, Q stands for output and L for labor.
d. Nonsupportive for rate of inflation for consumer expenditure.

6.2.4 IMPORT-PRICE SHOCK AND A CHANGE IN THE RATE OF INFLATION

In order to give a contractionary import-price shock, I inflate the United States' dollars equivalent of implicit price index for imports (IPM) by ten percent.[83] According to

[83] Canadian price of imports = (the United States' price of imports) x (spot exchange rate). Since the United States' prices are exogenous in the system, as I increase them by ten

proposition 2b, an increase in import prices has less influence on inflation in a share economy than in a wage economy. For the claim about the less inflationary effect of import-price shock to hold, a rise in import prices has to cause less increase in the rate of inflation under the share system in relation to the wage system. The following six tables compare the share economy with the wage economy after giving import-price shock, and by assuming different values of the share parameters.

TABLE VI.22

Comparison of Share and Wage Economy After Import-Price Shock for h = 0.9 1973: 4Q - 1976: 3Q

	SHARE ECONOMY					WAGE ECONOMY
c:	0.0450	0.0475	0.0500	0.0525	0.0550	
DGNP	-71.23	-69.46	-67.71	-66.01	-64.35	-68.33
DEMP	38.66	40.41	42.14	43.85	45.53	40.68
%DCEP	11.07	11.04	11.00	10.96	10.92	10.98
%DGNPP	10.31	10.24	10.17	10.09	10.01	10.15
DSHL	106	103	103	103	103	119

percent, the domestic price of imports are affected as well. The spot-exchange rate is an endogenous variable in the model, and as such, has an indirect effect on the Canadian price.

TABLE VI.23

Comparison of Share and Wage Economy After Import-Price Shock for h = 0.8 1973: 4Q - 1976: 3Q

	SHARE ECONOMY					WAGE ECONOMY
c:	0.090	0.095	0.100	0.105	0.110	
DGNP	-74.17	-70.65	-67.25	-63.99	-60.91	-68.33
DEMP	36.51	40.05	43.54	46.92	50.19	40.68
%DCEP	11.13	11.08	10.18	10.94	10.85	10.98
%DGNPP	10.44	10.32	11.02	10.02	9.86	10.15
DSHL	89	89	89	89	89	119

TABLE VI.24

Comparison of Share and Wage Economy After Import-Price Shock for h = 0.9 1977: 1Q - 1979: 4Q

	SHARE ECONOMY					WAGE ECONOMY
c:	0.0450	0.0475	0.0500	0.0525	0.0550	
DGNP	174.81	178.27	181.80	185.45	189.18	180.34
DEMP	77.50	78.46	79.38	80.23	81.01	78.36
%DCEP	15.43	15.27	15.10	14.93	14.76	15.03
%DGNPP	15.59	15.33	15.07	14.80	14.53	14.97
DSHL	72	72	71	71	70	81

TABLE VI.25

Comparison of Share and Wage Economy After Import-Price Shock for h = 0.8 1977: 1Q - 1979: 4Q

	SHARE ECONOMY					WAGE ECONOMY
c:	0.090	0.095	0.100	0.105	0.110	
DGNP	169.76	176.25	183.09	190.30	197.90	180.34
DEMP	76.34	78.42	80.83	82.01	83.41	78.36
%DCEP	15.78	15.48	15.16	14.83	14.49	15.03
%DGNPP	16.14	15.66	15.16	14.63	14.11	14.97
DSHL	63	62	62	61	60	81

TABLE VI.26

Comparison of Share and Wage Economy After Import-Price Shock for h = 0.9 1980: 2Q - 1983: 1Q

	SHARE ECONOMY					WAGE ECONOMY
c:	0.0450	0.0475	0.0500	0.0525	0.0550	
DGNP	331.96	334.54	337.19	339.91	342.71	335.85
DEMP	95.38	95.72	96.01	96.24	96.41	95.27
%DCEP	32.10	31.60	31.08	30.56	30.02	31.08
%DGNPP	41.96	40.47	39.00	37.55	36.13	39.01
DSHL	25	24	24	24	24	27

TABLE VI.27

Comparison of Share and Wage Economy after Import-Price Shock for h = 0.8 1980: 2Q - 1983: 1Q

	SHARE ECONOMY					WAGE ECONOMY
c:	0.090	0.095	0.100	0.105	0.110	
DGNP	328.43	333.25	338.34	343.71	349.38	335.85
DEMP	95.17	96.02	96.70	97.16	97.39	95.27
%DCEP	33.03	32.07	31.07	30.04	29.00	31.08
%DGNPP	44.75	41.84	38.96	36.18	33.54	39.01
DSHL	22	22	21	21	20	27

Tables VI.22, VI.24, and VI.26 compare the share economy with the wage economy for the three different periods by assuming h = 0.9. From these tables, I find that when a switch from the wage system to the share system takes place, the following happens:

(1) A rise in import prices causes relatively more increase in inflation in the share system in relation to the wage system, as long as the labor share as a percentage of private output falls due to the switch (i.e., as long as c < 0.05). In other words, in this case the claim about the less inflationary effect of the import-price shock does not hold, regardless of the period under consideration.

(2) An increase in the prices of imports causes relatively less increase in the rate of inflation in the share

system in relation to the wage system, as long as the labor share as a percentage of private output is rising due to the switch (i.e., $c > 0.05$). Thus, during this range of the share parameters, the claim about the effect of import-price shock holds, regardless of the period under consideration.

(3) As long as the labor share as a percentage of private output remains somewhat constant (i.e., $c = 0.05$), the claim about the less inflationary effect of import-price shock holds for the last period (i.e., 1980-1983) but not for the first two periods. This is more so for the rate of inflation calculated from the price index for GNPP than that for CEP.

A possible explanation for the latter difference in the effect of the import-price shock could be a difference in the capacity utilization rate in these periods. This difference is being supported by the simulation results. Based on these results, during the last period (i.e., 1980-1983), the capacity-utilization rate is lower than that during the first two periods. During the last period (1980-1983) due to relatively low capacity utilization level, output (Q) could be increased substantially so that output per man (Q/L) is increased, where L is employment. In the other two periods, Q/L is reduced. An increment in Q/L implies a reduction in the unit-labor cost {i.e., $w(L).L/Q$}, and, therefore, less increase in the prices of the products.[84]

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[84] As I know, $P = f\{w(L).L/Q, P_m, Q, t\}$, where P = selling price of output, $w(L).L/Q$ = unit labour cost, P_m = import

I see that in all three periods as c rises, increases in import prices have less inflationary impact on consumer prices. In other words, as workers are given more share-type income, increases in import prices cause less rise in the rate of inflation. This is after taking into account changes in demand for imports and domestic price of imports due to changes in income resulted from a switch to share economy (because imports are endogenous in the model used for simulation).

During the first period, output reduces, and the reduction in output is less as c increases. During the remaining two periods, output increases, and the increase in the output is more as c rises. I also note that as c rises, increase in employment is more in all three periods. These results indicate that in cases where there is a negative impact of the shock, the negative impact diminishes as workers are given more share-type income (i.e., as c increases). In case of a positive impact of the shock, the positive impact increases as c rises. These results are supportive of profit sharing. The shock has a positive impact on personal income tax in current dollars in all three periods, and the positive impact increases as c rises. An increase in the prices of

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prices, Q = growth rate of output, t = unit sales tax and w(L) is labor compensation per worker in the share economy. The figures for GNP and employment levels before the shock can be found in tables 1.2 and 1.3 for the first period, 2.2 and 2.3 for the second period, and 3.2 and 3.3 for the third period, respectively, in part A of the statistical appendix.

imports has a negative impact on consumer expenditure in all three periods, and this negative impact diminishes as c increases. Investment expenditure is also affected adversely as a result of an increase in the prices of imports. During the first period, the negative impact remains more or less constant as c increases. For the remaining two periods, the negative impact reduces as c rises.[85]

The tables VI.23, VI.25, and VI.27 compare the share economy with the wage economy by assuming h = 0.8. It is evident by glancing over these tables that the basic conclusions about the effects of the import-price shock remain more or less unchanged for the two different values of h, as far as the direction of the effects is concerned. I notice the following differences in terms of the magnitude of effects:

(1) When a switch to the share system reduces the effect of an increase in the price of imports on the rate of inflation, the reduction in the effect is more for h = 0.8, as compared to h = 0.9, for each corresponding case. These results indicate that the reduction in the effect is greater when workers are given more share-type income. These results support the claim about the less inflationary impact of import-price shock.

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[85]See part A of the statistical appendix (tables G.7, G.10, G.11, H.7, H.10, H.11, I.7, I.10, and I.11).

(2) When as a result of the switch, the effect of an increase in the price of imports is greater on the rate of inflation, the increase in the effect is more for more share-type income. These results do not support the claim about import-price shock.

The same as in case of all other shocks, these conclusions about the effects of import-price shock reflect consistency of simulation results. A summary of these findings is given in the following table.

TABLE VI.28

Import-Price Shock: Summary of the Results[a] and Value of the Main Variable(s) Expected to Cause the Difference[b]

Period	SHL-D	SHL-C	SHL-I	Q/L[c]
1973:4Q-1976:3Q	N	N	S	Decrease
1977:2Q-1979:4Q	N	N	S	Moderate Decrease
1980:2Q-1983:1Q	N	S	S	Increase

a. For the meaning of SHL-D, SHL-C, and SHL-I, see table VI.7.
b. 'S' and 'N' indicate the supportive and nonsupportive cases of profit sharing, respectively.
c. A decrease in Q/L partially leads to an increase in unit labor cost and, thereby, an increase in the price, where Q stands for output and L for employment.

To test the hypotheses designed to measure the responsiveness of inflation to various shocks, I only needed to know whether these shocks would lead to a greater or

smaller increase in the rate of inflation in the share system in relation to the wage system. In other words, I only needed to know the direction of change in it. The same as for chapter 5, I did measure the magnitude of change in the rate of inflation due to these various shocks. However, for the same reason as mentioned in chapter 5, I leave it for further studies in this area to comment in detail about the magnitude of the change.

6.3 CONCLUSIONS

In reference to tables (VI.7, VI.14, VI.21, and VI.28), the following conclusions can be drawn:

(1) When $c = 0.05$, all the results are supportive of profit sharing, except in the case of import-price shock during the first two periods, which are characterized by relatively high-capacity utilization. I recall from chapter 5 that the case would fall in the feasible range of the share parameters.

(2) When $c > 0.05$, all the results are supportive of profit sharing, except in the case of monetary policy in the last two periods, which are characterized by relatively low-capacity utilization. I also recall that this case would be of interest if an increase in output and employment, and not a reduction in the rate of inflation is an overriding priority, and government is prepared to compensate the losers

of the system.

(3) When $c < 0.05$, most of the results are nonsupportive of profit sharing. The exceptions are monetary policy in all periods, and fiscal policy in the first period, which is characterized by a relatively high rate of capacity utilization. Again, this case is desirable if reduction in the rate of inflation, and not an increase in employment, output, and labor share is an overriding priority.

The cost-push or supply-side inflation is caused by an increase in costs such as wage rate, import prices, and other costs. During the 1950s, the main cause of inflation was an increase in wages. On the other hand, during the late '60s, '70s, (after 1973) and early '80s, the main cause of cost-push inflation was an increase in the prices of imports.[86]

Thus, rises in wages and import-prices have been the main causes of cost-push inflation in Canada. By choosing right combinations of the share parameters and depending upon the state of economy, it is possible to make the price impact of demand-management policies more effective under the share system in relation to the wage system. Since in Canada only monetary policy is being used to maintain price stability, a switch to share system can facilitate the task of the Bank of Canada in maintaining price stability. Moreover, by choosing

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[86] For a further discussion of inflation in Canada, see Samanta and Breslin (1994), Riddell (1983), Jarrett and Selody (1982), Lewis (1980), and Barber and McCallum (1980, 1982).

right combinations of the share parameters, the inflationary impact of increases in average earnings and import prices can be reduced in the share system in relation to the wage system. Thus, in a share system, the Bank would be required to make smaller increases in the rate of interest to maintain price stability. Hence, a switch from the wage system to the share system can help the Bank in maintaining the price stability, if we choose right combinations of the share parameters.

CHAPTER VII

SUMMARY, IMPLICATIONS AND CONCLUSIONS

7.1 INTRODUCTION

The findings of this study are summarized in part two of this chapter. These findings have implications both for policy discussions, as well as for the direction of future research on profit sharing. They are discussed in part three of the chapter. While discussing the implications of the findings, the limitation of the study are pointed out. Conclusions are presented in part four of the chapter.

7.2 SUMMARY OF THE MAJOR FINDINGS OF THE STUDY

One of the findings of this study concerns the determination of the feasible range of the share parameters. Feasibility of the share arrangement is defined in terms of economic and political acceptability. The arrangement is said to be politically acceptable if it keeps the share of factors of production as a percentage of private output more or less close to its (historically) acceptable level. This does not necessarily imply that a share system would be rejected by labor, say, if total labor compensation may increase due to a

switch to the share system despite a decline in its share. However, stability of shares over time may indicate a potential resistance in altering them.

For the share system to be economically acceptable, it must not cause a significant decrease in the level of output and employment and/or a significant rise in the rate of inflation unless such changes are of priority importance. The simulation results are summarized in the following table:

Table VII. 1

Supportive (S) and Nonsupportive (N) Cases for Profit Sharing_in Three Periods (1 = 1973:4Q-1976:3Q, 2 = 1977:1Q-1979:4Q, 3 = 1980:2Q-1983:1Q)[a]

Labor Share in Private Output		Closeness to Potential Output	Output Variability	Monetary Policy	Fiscal Policy	Wage-Growth Shock	Import Price Shock	Feasibility
Constant	1	S	S	S	S	S	N	Yes
	2	S	S	S	S	S[c]	N	
	3	S	N[b]	S	S	S	S	
Increasing	1	S	S	S	S	S	S	No[d]
	2	S	N	N	S	S	S	
	3	S	S	N	S	S	S	
Decreasing	1	N	N	S	S	N	N	No[d]
	2	N	N	S	N	N	N	
	3	N	N	S	N	N	N	

a. The three selected periods are with capacity-utilization rate of 95 percent, 93 percent, and 90 percent, respectively.

b. Output variability will increase only somewhat, as indicated by a slightly higher value of the standard deviation for this period. Perhaps, by looking at a slightly narrower range of the parameter c, I could have been able to support the claim about profit sharing even for the third period.

c. These cases are nonsupportive for rate of inflation related to consumer expenditure when h = 0.8.

d. Unless some trade-off between inflation and unemployment is within acceptable range.

Contrary to the conclusions drawn by Weitzman on the basis of a theoretical model, the results of the study indicate that only those combinations of the share parameters which keep the share of labor and capital as a percentage of private output somewhat constant after the switch leads to a better situation for all parties involved compared to the wage system (see the last column). For other combinations, there is a trade-off between unemployment and inflation.

A share economy, which is more likely to operate near full capacity, is expected to exhibit less cyclical variability in output. Therefore, the second analysis presented in chapter 5 examined the cyclical variability in output for a share economy in comparison with a wage economy by using simulation technique. This was examined by looking at how deviations of actual output from potential output respond to changes in aggregate demand.

The output variability of the two economies was compared by looking at the mean and the standard deviation of actual output from potential output with and without a demand shock for the two economies. Contrary to Weitzman's conclusion, which was based on a theoretical model, a switch to the share system does not always reduce output variability. The results on output variability are supportive of the conclusions noted

above about the feasible range of the share parameters. Only those combinations of the share parameters, which keep the share of labor and capital as a percentage of private output more or less constant (close to its historically acceptable level), take the economy closer to the potential level of output and reduce the output variability (see columns two and three). It also reduces the rate of unemployment (see part A of the statistical appendix).

The third analysis presented in chapter 5 examined the impact on the level of output, employment, and inflation, as workers are given more and more share-type income. I noted that in cases where there is an increase in these variables, the increase is more for more share-type income. These results are supportive of profit sharing. It is interesting to note that Bradley and Smith (1987) pointed out that an increase in the share parameter (c) leads to an increase in employment and output. Contrary to this, when there is a decrease in these variables, the decrease is more for more share-type income. These results in the latter case are nonsupportive of profit sharing.

The fourth analysis presented in chapter 5 examined the impact of a switch from the wage system to the share system on other variables such as personal income tax, investment expenditure, and consumption expenditure. The impact of the switch on these other variables is consistent with its impact on the level of output and employment. Thus, it can be said

that the simulation results are relevant and consistent.

The fifth analysis presented in chapter 5 examined the impact of a switch from the wage system to the share system on the level of employment and aggregate demand (as measured by GNP). Weitzman ignored the role of aggregate demand. According to Weitzman, a switch to the share system always increases the level of employment, regardless of what happens to aggregate demand.

Based on the simulation results, only those combinations of the share parameters, which increase the labor share as a percentage of private output or at least keep it more or less constant, result in a higher level of aggregate demand and a higher level of employment. On the other hand, those combinations of the share parameters which reduce the share of labor as a percentage of private output, result in lower level of aggregate demand and lower level of employment. This result in the latter case is supportive of the conclusion drawn by Rothschild (1987), that if there is deficiency of demand, the share economy can run into the problem of unemployment just as much as a wage economy.

The sixth analysis presented in chapter 5 compared the wage economy with the share economy in terms of average labor compensation per worker. Based on the simulation results, a switch to a share system does not necessarily mean lower average labor compensation per worker. It was also noted that the difference in the average labor compensation per worker is

not drastic within each simulation period.

My second set of findings pertains to the comparison of the share economy with the wage economy on the basis of the responsiveness of inflation to various shocks such as demand-management policy shocks and supply shocks. The demand-management policy shocks are monetary and fiscal policy shocks. The supply shocks are import-price and wage-growth shocks. I gave expansionary policy shocks and contractionary supply shocks.

It was noted in chapter 6 that, contrary to Weitzman's conclusion, a switch to the share system does not always make the demand-management policies more effective. The simulation results about the effectiveness of these policies are consistent with the results noted above about the feasible range of the share parameters and output variability. It was noted that only those combinations of the share parameters which keep the share of labor and capital as a percentage of private output approximately the same, make both monetary and fiscal policies more effective under the share system in relation to the wage system (see columns four and five). I also noted that for all three periods, and for both monetary and fiscal policies, as the share component (measured by c) increases, more capital-intensive techniques are employed, or productivity increases.

The second analysis, presented in chapter 6, pertains to the effects of the supply shocks on the rate of inflation in

the share system in relation to the wage system. Contrary to what Weitzman concluded, a switch to the share system does not always reduce the impact of supply shocks on the rate of inflation. In case of wage-growth shock, the simulation results are consistent with other results discussed above. Only those combinations of the share parameters which keep the share of labor and capital as a percentage of private output somewhat constant after the switch, reduce the impact of the shock on the rate of inflation in the share system in relation to the wage system (see column six).

However, for the import-price shock, even when the labor share remains constant, the results are supportive of profit sharing only for the third period but not for the first two periods (see column seven).

The third analysis presented in chapter 6 examined the impact of all the shocks on other variables such as output, employment, labor share, consumption expenditure, investment expenditure, and personal income tax. The effects of the shocks on other variables of interest indicate that the simulation results are relevant and consistent with the price behaviour.

The fourth analysis presented in chapter 6 examined the impact of the shocks when workers are given more share-type income. In cases where monetary and fiscal policies are more effective, in terms of their price impact, under the share system in comparison to the wage system, their effectiveness

increases further as workers are given more share-type income. However, it is important to note that in cases where the price impact of these policies become less effective, their effectiveness is reduced further as workers are given more share-type income. The same is true in case of supply shocks.

My third set of findings concerns the review of the literature on the macroeconomic effects of profit sharing. It was noted in chapter 3 that most of the literature on the macroeconomic effects of profit sharing during the 1980s was related to Weitzman's proposal of profit sharing. Although many economists were critical of his proposal, the economic research on the issue has been predominantly theoretical. On the basis of the review of the literature, it was concluded that there is disagreement among economists about the macroeconomic effects of profit sharing. There are some economists who support Weitzman's claim about profit sharing, but most of them oppose it.

Some economists, including Weitzman, suggested empirical work to settle the dispute about the macroeconomic effects of profit sharing. According to them, it is difficult to be sure about the macroeconomic effects of profit sharing on the basis of theoretical analysis alone.

Since nowhere except in Japan (even about that, there is disagreement) has profit sharing been adopted on the economy-wide basis, the analysis presented in chapter 3 reviewed some of the studies conducted to test the microeconomic effects of

various profit-sharing schemes. It was noted that the results of many of these studies are consistent with the hypotheses regarding the macroeconomic effects of profit sharing. However, only in some cases the results are of statistical significance.

My fourth set of findings pertains to the comparison of profit sharing with other macroeconomic policies used, and/or proposed, to reduce unemployment and inflation in Canada. It was noted in chapter 2 that profit sharing as a cure for unemployment and inflation, by its nature, is a supply-side policy. In the same manner as "mainstream" supply-side policies, profit sharing tries to achieve higher level of output and employment at a lower price by shifting the supply curve to the right. However, the policy tool for achieving such an objective is different. They are also different in terms of their effectiveness. Whereas, profit sharing directly changes the incentive of profit-maximizing firms to hire labor, the "mainstream" supply-side policies affect the output and employment decisions of those firms only indirectly.

The second analysis, presented in chapter 2, compared profit sharing with optimal-wage indexation rule. It was noted that a wage indexation formula, based on aggregate, as well as firm-specific factors, is consistent with both economy-wide inflation indexation and profit-sharing arrangements.

The third analysis, presented in chapter 2, compared the profit sharing with Classical full employment policy. Profit sharing tries to achieve full employment through flexible wages, the same as classicals. However, the mechanism is different, and effects are not exactly the same. Whereas, Classicals try to clear the labor market through wage flexibility, profit sharing suggests share-type labor compensation to encourage firms to increase output and employment. The two are different in terms of their effectiveness. A reduction in money wages may not have any effect on demand for, and supply of, labor, and, therefore, on the rate of unemployment in the economy. Contrary to this, the flexibility of share-type income has its effects directly on the firm's decision to enhance output and employment.

7.3 IMPLICATIONS OF THE FINDINGS OF THE STUDY

The findings of my study have implications both for policy discussions, as well as for the direction of future research on profit sharing. I consider these two sets of implications in turn.

7.3.1 IMPLICATIONS FOR POLICY DISCUSSIONS ON PROFIT SHARING

At the outset, it should be noted that although profit sharing has not been adopted economy-wide, or at least by a large sector of the economy to produce desirable macroeconomic effects, it has become increasingly popular in Canada, the United States, the United Kingdom, and in some other countries (see Swiercz and Smith, 1990).

The findings of my study suggest that by choosing the right combinations of the share parameters, profit sharing can be used to increase the level of employment, and reduce the rates of inflation and unemployment. However, based on this study, the significance of these effects can not be commented upon with accuracy. Since this is the first study of its kind (which uses simulation analysis), I decided to keep the analysis simple and limit its scope. For example, for the sake of simplicity, I decided to use the uniform values of the share parameters for the whole economy. In practice, one can expect different combinations of the share parameters for different industries and even for different job categories. This study was conducted by using the stagflation period (1973-1983). Perhaps more studies need to be conducted for pre-stagflation, as well as for post-stagflation periods to see if change in the time period can make a significant difference in terms of what can be expected from profit

sharing. Thus, the findings of this study are more suggestive than definite.

I believe that my findings suggest a broadening of policy discussions to include a distributional aspect of profit sharing along with its other aspects. Based on the simulation results, only those combinations of the share parameters which do not change the distribution of income between labor and capital, after a switch to the share system, increase the level of output and employment, and lower the rate of unemployment and inflation. For other combinations, there is a trade-off between inflation and unemployment.

To make the share arrangement politically acceptable, the share of labor and capital as a percentage of private output must be kept somewhat close to its (historically) acceptable level. I also noted that when the distribution of income between labor and capital remains constant, simulation results regarding output variability, output gap, effectiveness of monetary and fiscal policies, and impact of wage-growth shock are supportive of profit sharing. Thus, the discussion of income distribution is important, not only from the point of view of social justice, but also for economic stability.

Another aspect of profit sharing that warrants additional policy discussion is its effect on the supply side of the labor market. Working from the standard textbook model of the labor market, economists have tended to concentrate on its demand side. My findings, that a switch to the share system

does not always increase employment, call for more attention to the supply side of the labor market. The share system not only affects firms' incentive to hire workers but also affects labor-market participation. Thus, in my view, the supply-side effect of profit sharing deserves more attention in the policy arena.

The next important issue is the role of aggregate demand in sustaining the higher level of employment. My findings, that a switch to the share system does not always increase the level of employment, call for attention to the demand side of the product market. For example (based on the simulation results), if I choose those combinations of the share parameters which reduce the share of labor as a percentage of private output, the aggregate demand (as measured by GNP) goes down and so does the level of employment. The absolute labor compensation also goes down because of a decrease in output and employment. The same as Classicals, Weitzman ignored the importance of aggregate demand in maintaining the higher level of employment.

Another issue that has been brought to focus by this study is importance of profit sharing in an environment of global economy. The economies are going through major employment restructuring, which is creating turmoil in the labor market and uncertainty for workers (see The World Bank, 1995). One of the ways the policy makers can help those economies is by increasing labor-market flexibility. Profit

sharing is one of the ways to introduce such flexibility in the labor market.

Moreover, in a global economy both imports and exports play important roles. Profit sharing, by making an increase in import prices less inflationary, helps the Bank of Canada in maintaining the price stability and, thus, helps to keep the price of exports down. Thus, the economy becomes more competitive in international market.

Another important issue is use of profit sharing as a supply-side policy. Profit sharing is a supply-side policy. The same as "mainstream" supply-side policies, profit sharing tries to shift the supply curve to the right in order to achieve a higher level of employment and output at a lower price. However, these policies use different tools. The policies are also different in terms of their effectiveness. In the "mainstream" supply-side policies, government gives tax-breaks to businesses to encourage them indirectly to increase their level of output and employment. On the other hand, profit sharing directly motivates the firms to increase their level of output and employment. Although in profit sharing, government needs to give tax-breaks to firms to motivate them to adopt profit sharing, it is more likely to encourage them to increase output and employment. Thus, profit sharing may have a potential to be a better supply-side policy.

The findings of my study that a switch to profit sharing does not always increase the level of employment and output, and reduce the rate of unemployment, draws my attention to the idea of an efficiency-wage model as discussed in chapter 3. According to Levine (1989), in an efficiency-wage model, work effort and turnover depend on the total compensation that the firm pays. Therefore, the firm sets the total pay in such a way that when pay is decreased, it lowers the profit. The firms do not want to decrease total pay, as it has the effect of decreasing work effort and increasing turnover. In this case, the subsidy paid by current workers in a share economy costs the firm as much in lower productivity as it gains from lower wages. Also, the stability of the share economy remains approximately the same as that of the corresponding wage economy (see Levine, 1989).

Based on the standard model of the labor market, an increase in the minimum wage lowers the employment of minimum-wage workers. Card and Krueger (1995) show, on the basis of their empirical studies, that increases in the minimum wage lead to increases in pay but no loss in jobs. In fact, some new studies show a positive effect of a rise in minimum wage on the level of employment. Most of them show no effect at all. Card and Krueger (1995) re-analyzed previous studies on minimum wage and found little support for the prediction that a rise in minimum wages reduces employment. The new evidence about the effect of a rise in minimum wage on employment again

lends support to the idea of the efficiency-wage model.

7.3.2 IMPLICATIONS FOR THE FUTURE RESEARCH ON PROFIT SHARING

My findings also have a number of implications for the direction of future research on profit sharing. The same as profit sharing, there is little evidence either for or against the macroeconomic effects of various alternatives to profit sharing, as suggested by its critics. There is a need to conduct some simulation studies to examine the macroeconomic effects of those alternatives. This can help economists devise a new type of compensation scheme, which overcomes the major drawbacks of profit sharing and retains its desirable features.

The present study was conducted using simulation analysis which is based on the use of a macro model. A model is only a representation of reality, and simulation results are not an accurate description of reality, but one set of approximations to reality. Different models produce different approximations. Even if the results of simulation analysis are statistically reliable, they are not as accurate as those of empirical studies. Although it is true that profit sharing has not been adopted economy-wide, or at least by a large sector of the economy, there are various profit-sharing

schemes adopted by firms in Canada, United States, United Kingdom, and some other countries. These schemes offer a rich body of experiences (see Swiercz and Smith, 1990). It would be advisable to conduct more empirical studies by using more recent firm level data to examine the effects of various profit-sharing schemes and compare them with the results obtained by simulation analysis to gain better insight about the macroeconomic effects of profit sharing. A number of specific issues strike me as high-priority areas for future research on profit sharing by using simulation analysis:

(1) There is a need for additional simulation studies to examine the impact of profit sharing on different economies. The present study suggests that economic impact and the optimal values of the share parameters depend upon the characteristics of the economy in question. Thus, different studies are needed for different economies.

(2) For the same country, by choosing a different time period, very different results may be obtained. For example, the present study was conducted by taking a period of stagflation (1973-1983). There is a need to conduct separate simulation studies for pre-stagflation as well as post-stagflation periods so that it can be examined if a change in time period and, thus, a change in economic condition makes a significant difference in terms of impact of profit sharing.

(3) The present study is an aggregated study where the macroeconomic effects of profit sharing are analyzed for the

economy as a whole. However, implementation of such a policy may require greater details regarding its impact on various other aspects of the economy such as regional and industrial variables. Thus, there is a need to conduct disaggregated studies to obtain details regarding other aspects of the economy.

(4) In this study, the impact of share-type labor compensation was examined using an open-economy Canadian model. The model takes into account responses of the labor supply to changes in labor income. The supply may originate from Canadian source or other countries. Needless to say, if there is a drastic change in the immigration policy and/or employment situation in other countries, the impact of these additional changes should be taken into account by a separate study because the parameters of labor supply equation may change. It was out of scope of this study to examine the implications of latter impacts. However, based on the conventional wisdom, such changes may affect the size (rather than the sign) of the parameters in the labor supply equation and, consequently, may affect the magnitude (rather than direction) of the economic impacts of switching to a share-type labor compensation.

(5) There is a need to conduct multi-country simulation studies. In a global economy, some accelerating and decelerating effects are involved through exports, imports, and foreign capital accounts. Clearly, such impacts can be

explored by conducting multi-country studies.

(6) As the structural characteristics of Canadian economy change over time, the results become less relevant, and simulations with an adjusted model are needed for more recent periods.

(7) It is unlikely that uniform values of the share parameters (h, c) will be chosen for the whole economy. Perhaps it would be advisable to expect different combinations of the share parameters for different industries and/or even different job categories. Thus, there is a need to conduct additional studies by taking these differences into account.

(8) Like any other policy, there are costs and benefits associated with profit sharing. To encourage firms and workers to adopt profit sharing, government needs to give them tax-breaks on their share-type income. Thus, the cost would be in terms of lost revenue. However, in a share economy, the level of employment is expected to be higher, so it would increase government revenue. Since the unemployment rate is also expected to be lower in the share system than in the wage system, the government expenditure on welfare payment and unemployment insurance is expected to drop. The benefits, therefore, would be in the form of increased revenue and decreased expenditure. If benefits exceed costs it would be desirable to encourage profit sharing and vice versa. Thus, there is a need to conduct a cost-benefit analysis of profit sharing.

(9) To have an accurate estimate of benefits and costs associated with profit sharing, it is essential to measure with precision, the magnitude of change in the level of employment, output, unemployment rate, etc., due to a switch to the share system. Thus, there is a need to conduct a simulation study where the magnitude of change can be measured with greater accuracy.

7.4 CONCLUSIONS

The economic research on the macroeconomic effects of profit sharing has been predominantly theoretical. Therefore, there is very little evidence either for or against the macroeconomic benefits of profit sharing. Consequently, the debate about its merits and demerits has been conducted in an abstract way. This study, which uses simulation analysis, is intended to be an improvement over theoretical analysis. The macro model used for this study has been adjusted for practical factors, and, as such, it is expected to overcome many of the drawbacks of theoretical analysis.

The results of this study are reliable in a statistical sense because the equations of the model were specified accurately, the coefficients of these equations were estimated accurately, and all the relevant variables for the Canadian economy were made endogenous (see Alagheband, 1988).

However, the results are derived from a macro model, and

a model is only a representation of reality. Simulation results, therefore, are not an accurate description of reality but only one set of approximations to reality.

Since this is the first where simulation analysis has been used to estimate the macroeconomic effects of profit sharing for the Canadian economy, I attempted to keep the analysis simple and limit its scope. Thus, the results of this study are more suggestive than definite.

Unlike what was concluded by Weitzman, a switch to the share system does not always increase employment, reduce output variability, and lower the rates of inflation and unemployment. Profit sharing can be used to achieve desirable macroeconomic effects, if we choose the right combination of the share parameters. Thus, a combination of the share parameters plays an important role, which is in line with what was pointed out by Moene (1990), and Bradley and Smith (1988). I might add here that the results of this study may not be conclusive, it is impressive that they all point one way: choosing the right combination of the share parameters is the key.

There are many limitations of profit sharing in terms of achieving desirable macroeconomic effects. As indicated earlier, a switch to the share system does not always produce desirable effects. Moreover, as pointed out by many economists, there are many other problems in the implementation and effectiveness of profit sharing (see

chapter 3). For example, according to Gui (1988), profit sharing can be used to lower cyclical unemployment but not the structural unemployment, which seems to be the major problem faced by most of the societies. Also, as pointed out by Summers (1986), in profit sharing, employers' incentive to hire more workers is bought at the cost of employees' incentive to welcome their fellow workers. Such incentives could have disastrous effects on productivity when team work is important.

Given that there are many problems in the implementation and effectiveness of profit sharing, even Weitzman himself did not think that profit sharing could be adopted in its purest sense. What might emerge out of this whole debate could be a combination of profit sharing and its various alternatives. Recently the idea of optimal profit sharing has emerged. Perhaps, some more studies are needed in this direction to refine this idea of optimal profit sharing. It can be refined in such a way that it overcomes the major disadvantages of profit sharing and ensures its main benefits.

This study may not be a definite answer to any questions regarding use of profit sharing as a macroeconomic policy; it has raised many questions for future policy discussions on profit sharing. It has also generated some new ideas for future research in this area, which I hope can pave the way for the development of an optimal policy instrument for achieving economic stability.

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STATISTICAL APPENDIX

In this appendix, simulation results for the wage economy and the share economy are presented. The appendix is in two consecutive parts, A and B distinguished by their pagination. Tables are represented in part A and the corresponding figures in part B.

Numbers are presented in scientific format, where D(.) and E(.) stand for 10 to power(.). For example:[1]

0.346D+03 = 346, and 0.346D-03 = 0.000346

0.346E+03 = 346, and 0.346E-03 = 0.000346

In tables 1.1 to 3.11, the two economies are compared for three periods under question. Other tables measure the effect of a demand or supply shock on selected variables. Each effect is measured as difference from the corresponding initial values. The initial values are represented in tables 1.1 to 3.11.

Different cases are defined in accordance with the share parameters (defined in the text), as follows:

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[1]D is used when calculation, in each step, retains 16 significant digits (double precision). E is used when 8 significant digits are retained in each step of calculations (single precision).

Case	h	c	Case	h	c
1.1	0.9	0.0450	1.2	0.8	0.0900
2.1	0.9	0.0475	2.2	0.8	0.0950
3.1	0.9	0.0500	3.2	0.8	0.1000
4.1	0.9	0.0525	4.2	0.8	0.1050
5.1	0.9	0.0550	5.2	0.8	0.1100

GNP, GNP-gap, consumer expenditure and investment figures are measured in constant (1971) millions of dollars. The employment figures are in thousands of persons. Inflation rates are based on Implicit Price Index (IPI) for the corresponding items. In the quarterly figures, the rate of inflation for the first quarter could not be calculated. The figure for the first quarter in such cases is the associated value of the index itself. Thus, in tables 1.1 to 3.11 the first quarter value is the IPI for the indicated item when applicale. In other tables, the first quarterly value is the effect of the demand or supply shock on the associated IPI (rather than their effect on inflation rate).

In figures 1.1 to 3.11, differences in economic variables in the wage economy and the share economy are illustrated. For example in figure 1.1, GNP gap in the share system less that in the wage system is shown to be positive in case 1.1 (close to 250 million dollars) and negative in case 5.2 (close to 750 million dollars). In other words, in the latter case the GNP gap in the share system is less than that in the wage system by nearly 750 million dollars. In other figures,

differential impact of a demand or supply shock are shown. For example in figure A.1, page 34b, the differential impact of a bank rate shock on GNP gap is positive in case 5.2 (close to 77 million dollars). This shows that the impact of a bank rate shock on GNP gap is more in the share system compared to wage system by 77 million dollars. In general, we have:

Differential Impact = Impact in the share economy -
Impact in the wage economy.

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TABLE 1.1 : COMPARISON OF SHARE & WAGE ECONOMY GNP GAP, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	892.4629	884.6499	896.1177	894.4184
2	1292.773	1296.019	1286.136	1287.804
3	1031.617	1062.616	1011.855	1028.672
4	866.6288	909.1230	844.2954	865.8637
5	964.7485	1056.207	894.1441	926.9040
6	1450.640	1556.915	1382.303	1435.052
7	1012.592	1138.677	929.0783	986.9033
8	1275.741	1374.246	1200.499	1235.015
9	1463.074	1656.450	1325.462	1410.707
10	1760.173	1944.966	1640.748	1735.623
11	1726.529	1942.435	1580.985	1684.928
12	2340.120	2491.430	2225.347	2287.816
		YEARLY AVERAGES		
1	1020.870	1038.102	1009.601	1019.190
2	1175.930	1281.511	1101.506	1145.969
3	1822.474	2008.820	1693.135	1779.768

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	898.5503	899.2820	897.5125
2	1277.788	1273.098	1282.547
3	990.1250	987.3044	993.2460
4	819.2798	812.5330	822.6288
5	820.0859	784.8532	857.8727
6	1310.622	1300.790	1322.891
7	840.9489	817.7853	864.8245
8	1119.091	1072.944	1162.702
9	1179.311	1134.001	1230.061
10	1513.473	1497.704	1532.411
11	1424.551	1387.718	1462.734
12	2098.353	2040.187	2154.810
		YEARLY AVERAGES	
1	996.4358	993.0543	998.9836
2	1022.687	994.0931	1052.073
3	1553.922	1514.902	1595.004

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	899.7592	899.2292	899.7433	894.2507
2	1267.739	1251.980	1256.000	1224.538
3	966.4402	938.6047	940.8157	882.6794
4	791.5792	749.1027	761.1921	675.5569
5	742.5511	629.8826	661.5189	461.8398
6	1235.572	1153.924	1157.129	994.2722
7	748.1079	630.5908	650.4588	424.5758
8	1031.352	886.8410	937.1158	675.4979
9	1024.362	824.4343	860.3471	480.0498
10	1378.089	1229.278	1234.331	928.2796
11	1256.649	1046.580	1076.665	656.6666
12	1958.395	1743.231	1804.674	1390.704
		YEARLY AVERAGES		
1	981.3794	959.7291	964.4378	919.2562
2	939.3957	825.3096	851.5556	639.0464
3	1404.374	1210.881	1244.004	863.9250

TABLE 1.2 : COMPARISON OF SHARE & WAGE ECONOMY GNP, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	27800.11	27790.36	27806.65	27803.46
2	26516.25	26492.62	26530.07	26519.86
3	28292.77	28242.75	28321.48	28298.83
4	30355.65	30289.92	30398.31	30372.82
5	29478.21	29383.22	29541.53	29505.94
6	27786.23	27671.90	27860.23	27814.75
7	29729.97	29572.40	29830.41	29765.59
8	31582.52	31424.49	31687.60	31625.83
9	30331.90	30142.99	30458.23	30384.42
10	28714.86	28518.43	28842.69	28761.88
11	30365.06	30127.04	30517.39	30415.99
12	31811.22	31595.01	31952.28	31861.20
		YEARLY AVERAGES		
1	28241.19	28203.91	28264.13	28248.74
2	29644.23	29513.00	29729.94	29678.03
3	30305.76	30095.87	30442.65	30355.87

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	27813.20	27816.56	27809.84
2	26543.95	26547.33	26540.43
3	28350.33	28355.45	28344.97
4	30441.21	30456.61	30425.51
5	29605.24	29630.19	29579.37
6	27934.78	27959.67	27908.36
7	29931.69	29961.90	29899.42
8	31793.72	31831.09	31754.33
9	30586.02	30631.33	30537.91
10	28972.16	29011.38	28929.73
11	30671.98	30713.26	30627.16
12	32096.02	32137.10	32052.09
		YEARLY AVERAGES	
1	28287.17	28293.99	28280.19
2	29816.36	29845.71	29785.37
3	30581.54	30623.27	30536.72

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	27819.74	27829.68	27826.29	27842.80
2	26557.89	26575.04	26571.89	26602.97
3	28379.32	28412.59	28408.44	28470.24
4	30484.32	30541.25	30527.66	30626.74
5	29669.35	29755.97	29733.86	29883.24
6	28009.88	28106.66	28085.52	28255.71
7	30033.78	30161.33	30136.70	30363.90
8	31900.89	32040.34	32009.13	32253.67
9	30715.32	30883.94	30846.14	31142.47
10	29103.32	29267.28	29236.21	29530.00
11	30828.94	31019.61	30988.40	31336.00
12	32242.61	32424.02	32392.27	32723.69
		YEARLY AVERAGES		
1	28310.32	28339.64	28333.57	28385.69
2	29903.47	30016.07	29991.30	30189.13
3	30722.55	30898.71	30865.75	31183.04

TABLE 1.3 : COMPARISON OF SHARE & WAGE ECONOMY EMPLOYMENT, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	8880.363	8878.917	8880.840	8880.653
2	8684.760	8683.000	8684.820	8685.100
3	9148.237	9145.587	9148.707	9148.643
4	9508.343	9501.637	9511.613	9508.277
5	9292.777	9294.773	9289.463	9289.967
6	9061.617	9066.880	9059.713	9066.197
7	9543.030	9536.620	9547.683	9548.357
8	9912.057	9886.467	9924.293	9910.560
9	9625.793	9612.550	9632.003	9627.770
10	9374.613	9361.527	9385.830	9387.680
11	9828.570	9804.723	9845.307	9841.330
12	10176.97	10126.60	10204.12	10179.91
		YEARLY AVERAGES		
1	9055.426	9052.285	9056.495	9055.668
2	9452.370	9446.185	9455.288	9453.770
3	9751.486	9726.349	9766.815	9759.172

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	8880.930	8880.827	8880.933
2	8684.197	8684.593	8683.840
3	9148.407	9148.810	9148.017
4	9514.057	9511.850	9515.140
5	9285.247	9281.870	9289.063
6	9057.083	9062.887	9052.043
7	9551.537	9557.117	9545.853
8	9935.497	9930.887	9938.510
9	9636.727	9637.753	9636.240
10	9395.903	9409.827	9382.450
11	9860.610	9872.797	9847.760
12	10229.78	10227.98	10229.53
		YEARLY AVERAGES	
1	9056.897	9056.520	9056.982
2	9457.341	9458.190	9456.367
3	9780.755	9787.088	9773.996

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	8880.627	8879.430	8879.933	8876.457
2	8682.897	8681.510	8680.927	8675.873
3	9147.343	9146.120	9145.520	9140.623
4	9515.673	9512.350	9516.460	9509.783
5	9280.113	9270.433	9274.060	9255.607
6	9053.717	9056.873	9049.603	9048.087
7	9554.557	9562.670	9556.717	9564.797
8	9945.617	9947.073	9954.607	9958.767
9	9639.903	9642.020	9641.463	9640.090
10	9404.780	9427.530	9412.397	9440.373
11	9874.363	9898.237	9886.437	9916.667
12	10253.79	10269.69	10275.97	10303.82
		YEARLY AVERAGES		
1	9056.635	9054.852	9055.710	9050.684
2	9458.501	9459.262	9458.747	9456.814
3	9793.208	9809.369	9804.067	9825.237

TABLE 1.4 : COMPARISON OF SHARE & WAGE ECONOMY RATE OF INFLATION, GNP, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	1.171841	1.171841	1.171841	1.171841
2	2.673656	2.660600	2.679459	2.676814
3	3.176936	3.190556	3.162295	3.167945
4	5.751992	5.787489	5.735888	5.754572
5	2.590339	2.590752	2.598346	2.593698
6	2.906281	2.966589	2.848376	2.859725
7	2.300229	2.322239	2.306368	2.340176
8	4.895090	4.835169	4.937645	4.909920
9	2.228097	2.062178	2.315229	2.212119
10	3.553280	3.584470	3.534404	3.556906
11	2.533103	2.460250	2.617452	2.622516
12	5.268622	5.124761	5.364825	5.295321
		YEARLY AVERAGES		
1	3.867528	3.879548	3.859214	3.866444
2	3.172985	3.178687	3.172684	3.175880
3	3.395776	3.307915	3.457977	3.421715

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	1.171841	1.171841	1.171841
2	2.683043	2.683982	2.681592
3	3.146145	3.139551	3.153254
4	5.719988	5.723524	5.717016
5	2.607055	2.599489	2.608433
6	2.791197	2.755881	2.835277
7	2.315164	2.368012	2.266339
8	4.982418	4.992695	4.967347
9	2.404225	2.369030	2.430696
10	3.516775	3.534975	3.510489
11	2.708498	2.809506	2.608429
12	5.465933	5.483052	5.440896
		YEARLY AVERAGES	
1	3.849725	3.849019	3.850621
2	3.173959	3.179019	3.169349
3	3.523858	3.549141	3.497627

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	1.171841	1.171841	1.171841	1.171841
2	2.684409	2.682019	2.683470	2.671011
3	3.128236	3.105704	3.108901	3.066307
4	5.704547	5.694158	5.689468	5.666946
5	2.616545	2.608283	2.626660	2.619619
6	2.734664	2.654654	2.678699	2.555722
7	2.326552	2.405727	2.340611	2.453453
8	5.029487	5.083030	5.078713	5.180602
9	2.494947	2.532886	2.587458	2.703528
10	3.500332	3.518759	3.485209	3.508462
11	2.806602	3.022693	2.911925	3.264141
12	5.571943	5.687737	5.682655	5.908575
		YEARLY AVERAGES		
1	3.839064	3.827294	3.827280	3.801421
2	3.176812	3.187924	3.181171	3.202349
3	3.593456	3.690519	3.666812	3.846176

TABLE 1.5 : COMPARISON OF SHARE & WAGE ECONOMY RATE OF INFLATION, CONSUMER EXPENDITURE, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	1.140268	1.140268	1.140268	1.140268
2	2.498623	2.495554	2.499939	2.499325
3	2.459190	2.461231	2.456420	2.457462
4	3.014778	3.022658	3.010395	3.014892
5	2.099379	2.103130	2.098606	2.099641
6	3.095353	3.113451	3.080148	3.084575
7	2.815200	2.828504	2.810481	2.820441
8	2.956836	2.953683	2.960220	2.959036
9	1.931951	1.895587	1.952397	1.930862
10	3.176496	3.167366	3.181855	3.177652
11	2.965114	2.931900	2.994223	2.986534
12	3.168149	3.117769	3.204173	3.183464
		YEARLY AVERAGES		
1	2.657530	2.659814	2.655585	2.657226
2	2.741692	2.749692	2.737364	2.740923
3	2.810428	2.778155	2.833162	2.819628

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	1.140268	1.140268	1.140268
2	2.500816	2.500991	2.500465
3	2.452977	2.451518	2.454440
4	3.005627	3.005999	3.005511
5	2.097702	2.095613	2.098411
6	3.064990	3.055948	3.075579
7	2.806343	2.814608	2.799228
8	2.964310	2.967117	2.961238
9	1.973804	1.969456	1.976457
10	3.188050	3.191571	3.186618
11	3.025432	3.049282	3.001954
12	3.242546	3.257360	3.226727
		YEARLY AVERAGES	
1	2.653140	2.652836	2.653472
2	2.733336	2.733321	2.733614
3	2.857458	2.866917	2.847939

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	1.140268	1.140268	1.140268	1.140268
2	2.501079	2.500553	2.500903	2.497922
3	2.448949	2.443486	2.444333	2.433367
4	3.000643	2.995891	2.995271	2.984737
5	2.096664	2.091207	2.095493	2.086341
6	3.049796	3.027403	3.034565	2.998776
7	2.802785	2.810930	2.799809	2.809492
8	2.969105	2.977783	2.974607	2.991042
9	1.996101	2.011306	2.019214	2.056418
10	3.195155	3.208919	3.203101	3.229624
11	3.058876	3.120630	3.094627	3.200774
12	3.283123	3.339410	3.325965	3.429891
		YEARLY AVERAGES		
1	2.650224	2.646643	2.646836	2.638675
2	2.729588	2.726831	2.726119	2.721413
3	2.883314	2.920066	2.910727	2.979177

TABLE 1.6 : COMPARISON OF SHARE & WAGE ECONOMY LABOUR SHARE, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.4836705	0.4799880	0.4861262	0.4849092
2	0.4983767	0.4920838	0.5015801	0.4983402
3	0.4909354	0.4850042	0.4942160	0.4913619
4	0.4599506	0.4574404	0.4632963	0.4638996
5	0.4881927	0.4834761	0.4915512	0.4899508
6	0.5029850	0.4959731	0.5064115	0.5025642
7	0.4926146	0.4864215	0.4958750	0.4927256
8	0.4638158	0.4606569	0.4672652	0.4672932
9	0.4922955	0.4869708	0.4956760	0.4934836
10	0.5043114	0.4969243	0.5077950	0.5036162
11	0.4957995	0.4891069	0.4991166	0.4955124
12	0.4681232	0.4641555	0.4717441	0.4710841
		YEARLY AVERAGES		
1	0.4832333	0.4786291	0.4863046	0.4846277
2	0.4869020	0.4816319	0.4902757	0.4881334
3	0.4901324	0.4842894	0.4935829	0.4909241

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.4885820	0.4898304	0.4873385
2	0.5047828	0.5045944	0.5048884
3	0.4974953	0.4977153	0.4972652
4	0.4666406	0.4703542	0.4629222
5	0.4949071	0.4964169	0.4931643
6	0.5098353	0.5091465	0.5103468
7	0.4991323	0.4990197	0.4992468
8	0.4707125	0.4739235	0.4675121
9	0.4990519	0.4999817	0.4979267
10	0.5112747	0.5102962	0.5121207
11	0.5024279	0.5019001	0.5029817
12	0.4753615	0.4780028	0.4727456
		YEARLY AVERAGES	
1	0.4893752	0.4906236	0.4881036
2	0.4936468	0.4946266	0.4925675
3	0.4970290	0.4975452	0.4964437

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.4910377	0.4947517	0.4934935	0.4996729
2	0.5079849	0.5108464	0.5111863	0.5170962
3	0.5007733	0.5040644	0.5040500	0.5104093
4	0.4699835	0.4768044	0.4733251	0.4832502
5	0.4982603	0.5028744	0.5016109	0.5093233
6	0.5132563	0.5157200	0.5166746	0.5222847
7	0.5023865	0.5053037	0.5056375	0.5115777
8	0.4741578	0.4805472	0.4776010	0.4871642
9	0.5024231	0.5064644	0.5057895	0.5129309
10	0.5147502	0.5169630	0.5182215	0.5236149
11	0.5057331	0.5082673	0.5090316	0.5146105
12	0.4789748	0.4849083	0.4825834	0.4917956
		YEARLY AVERAGES		
1	0.4924448	0.4966167	0.4955137	0.5026071
2	0.4970152	0.5011113	0.5003810	0.5075875
3	0.5004703	0.5041507	0.5039065	0.5107380

TABLE 1.7 : COMPARISON OF SHARE & WAGE ECONOMY PERSONAL INCOME TAX IN CURRENT DOLLARS, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	3623.898	3607.095	3635.115	3629.561
2	3799.776	3771.285	3814.346	3799.821
3	3343.158	3314.774	3358.936	3345.559
4	4134.035	4118.938	4153.177	4156.241
5	4354.798	4317.053	4380.355	4366.154
6	4608.161	4557.589	4635.282	4609.750
7	3891.475	3849.459	3915.612	3896.044
8	4930.893	4901.753	4960.037	4957.497
9	5072.563	5005.900	5114.469	5085.296
10	5503.922	5424.134	5548.245	5508.167
11	4381.243	4311.030	4422.676	4389.407
12	5826.098	5759.835	5879.678	5859.940
		YEARLY AVERAGES		
1	3725.217	3703.023	3740.393	3732.795
2	4446.332	4406.463	4472.821	4457.361
3	5195.956	5125.225	5241.267	5210.702

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	3646.337	3652.049	3640.649
2	3828.877	3828.201	3829.174
3	3374.649	3376.111	3373.174
4	4172.231	4193.231	4151.225
5	4405.951	4415.421	4394.960
6	4662.446	4662.106	4661.830
7	3939.955	3943.446	3936.625
8	4989.553	5014.646	4964.456
9	5156.891	5166.619	5145.223
10	5593.200	5594.605	5590.788
11	4465.105	4471.497	4458.767
12	5935.018	5966.531	5903.326
		YEARLY AVERAGES	
1	3755.523	3762.398	3748.555
2	4499.476	4508.905	4489.468
3	5287.553	5299.813	5274.526

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	3657.565	3674.559	3668.798	3697.090
2	3843.368	3856.417	3857.817	3884.460
3	3390.297	3406.419	3405.878	3436.474
4	4191.197	4229.905	4210.075	4266.265
5	4431.586	4464.840	4457.256	4514.398
6	4689.649	4714.640	4716.891	4767.337
7	3964.506	3991.667	3989.265	4040.714
8	5019.439	5073.198	5049.697	5133.155
9	5199.836	5249.928	5243.313	5335.287
10	5638.801	5683.542	5685.060	5775.086
11	4508.573	4557.608	4553.124	4648.101
12	5992.180	6080.055	6051.234	6201.056
		YEARLY AVERAGES		
1	3770.607	3791.825	3785.642	3821.072
2	4526.295	4561.086	4553.277	4613.901
3	5334.847	5392.783	5383.183	5489.882

TABLE 1.8 : COMPARISON OF SHARE & WAGE ECONOMY LABOUR FORCE, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	9349.740	9348.480	9350.020	9349.937
2	9283.593	9282.813	9282.807	9283.700
3	9657.370	9657.703	9655.600	9657.293
4	9954.970	9953.803	9954.143	9953.597
5	9709.320	9722.160	9698.010	9703.283
6	9602.137	9625.993	9587.257	9602.200
7	9991.580	10012.56	9977.720	9991.177
8	10307.26	10315.40	10296.17	10297.52
9	10009.68	10038.61	9986.277	10000.47
10	9899.117	9937.853	9874.530	9899.817
11	10284.85	10323.07	10259.45	10284.58
12	10620.35	10637.60	10601.02	10608.38
		YEARLY AVERAGES		
1	9561.418	9560.700	9560.642	9561.132
2	9902.575	9919.027	9889.790	9898.544
3	10203.50	10234.28	10180.32	10198.31

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	9349.850	9349.593	9349.993
2	9281.147	9281.243	9281.083
3	9652.697	9652.587	9652.820
4	9951.920	9948.140	9954.430
5	9684.983	9678.050	9692.253
6	9570.603	9571.863	9570.200
7	9961.763	9961.980	9961.687
8	10282.46	10269.91	10293.57
9	9959.393	9949.680	9969.953
10	9846.387	9848.887	9844.930
11	10229.73	10230.35	10229.17
12	10576.78	10561.40	10590.72
		YEARLY AVERAGES	
1	9558.903	9557.891	9559.582
2	9874.952	9870.450	9879.427
3	10153.07	10147.58	10158.69

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	9349.233	9347.440	9348.163	9343.477
2	9278.623	9275.473	9275.240	9266.423
3	9648.667	9643.630	9643.517	9630.480
4	9948.297	9937.443	9943.280	9921.523
5	9670.233	9646.417	9653.753	9608.350
6	9552.170	9534.903	9531.950	9491.253
7	9943.677	9924.687	9923.423	9879.043
8	10266.05	10232.08	10246.88	10183.58
9	9928.923	9885.507	9894.770	9807.250
10	9814.583	9784.263	9779.013	9705.173
11	10195.48	10158.91	10156.51	10068.67
12	10547.34	10494.67	10512.41	10406.01
		YEARLY AVERAGES		
1	9556.205	9550.997	9552.550	9540.476
2	9858.032	9834.522	9839.002	9790.557
3	10121.58	10080.84	10085.68	9996.776

TABLE 1.9 : COMPARISON OF SHARE & WAGE ECONOMY SPOT EXCHANGE RATE, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	1.004835	1.004835	1.004835	1.004835
2	1.006563	1.006563	1.006563	1.006563
3	1.004757	1.004756	1.004758	1.004758
4	1.001374	1.001365	1.001379	1.001376
5	1.000527	1.000493	1.000548	1.000535
6	1.000884	1.000801	1.000934	1.000901
7	0.9967412	0.9965764	0.9968398	0.9967744
8	0.9921930	0.9919098	0.9923641	0.9922518
9	0.9916901	0.9912388	0.9919644	0.9917855
10	0.9971053	0.9964409	0.9975107	0.9972481
11	0.9980713	0.9971340	0.9986448	0.9982759
12	0.9966789	0.9953692	0.9974820	0.9969690
		YEARLY AVERAGES		
1	1.004382	1.004380	1.004384	1.004383
2	0.9975863	0.9974450	0.9976715	0.9976155
3	0.9958864	0.9950457	0.9964005	0.9960696

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	1.004835	1.004835	1.004835
2	1.006562	1.006562	1.006563
3	1.004758	1.004759	1.004758
4	1.001384	1.001387	1.001382
5	1.000568	1.000574	1.000561
6	1.000982	1.000997	1.000967
7	0.9969371	0.9969670	0.9969062
8	0.9925329	0.9925849	0.9924789
9	0.9922351	0.9923186	0.9921482
10	0.9979108	0.9980348	0.9977814
11	0.9992101	0.9993865	0.9990255
12	0.9982728	0.9985207	0.9980125
		YEARLY AVERAGES	
1	1.004385	1.004386	1.004385
2	0.9977550	0.9977807	0.9977283
3	0.9969072	0.9970651	0.9967419

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	1.004835	1.004835	1.004835	1.004835
2	1.006562	1.006562	1.006562	1.006561
3	1.004759	1.004760	1.004759	1.004761
4	1.001390	1.001398	1.001395	1.001408
5	1.000587	1.000613	1.000607	1.000651
6	1.001030	1.001091	1.001078	1.001182
7	0.9970329	0.9971541	0.9971273	0.9973360
8	0.9926994	0.9929095	0.9928637	0.9932257
9	0.9925024	0.9928388	0.9927664	0.9933472
10	0.9983058	0.9988029	0.9986962	0.9995567
11	0.9997680	1.000470	1.000320	1.001541
12	0.9990527	1.000035	0.9998243	1.001548
		YEARLY AVERAGES		
1	1.004386	1.004389	1.004388	1.004391
2	0.9978373	0.9979419	0.9979190	0.9980987
3	0.9974072	0.9980367	0.9979017	0.9989982

TABLE 1.10: COMPARISON OF SHARE & WAGE ECONOMY CONSUMER EXPENDITURE, TOTAL, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	17383.97	17370.83	17392.74	17388.40
2	15575.90	15548.05	15591.84	15579.57
3	16876.90	16828.21	16904.12	16881.61
4	16673.37	16621.19	16709.56	16691.90
5	18596.70	18525.88	18646.99	18623.48
6	16535.73	16456.70	16586.32	16554.51
7	17837.17	17733.19	17900.73	17855.88
8	17623.87	17519.34	17695.09	17656.42
9	19530.74	19401.98	19618.14	19569.38
10	17328.43	17198.78	17410.50	17355.49
11	18578.71	18420.31	18675.84	18605.34
12	18339.20	18178.65	18444.96	18379.24
		YEARLY AVERAGES		
1	16627.53	16592.07	16649.56	16635.37
2	17648.37	17558.78	17707.28	17672.57
3	18444.27	18299.93	18537.36	18477.36

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	17401.52	17405.99	17397.07
2	15607.78	15611.06	15604.29
3	16931.32	16934.89	16927.48
4	16745.72	16762.44	16728.79
5	18697.31	18721.22	18672.20
6	16637.02	16652.75	16619.78
7	17964.55	17979.59	17948.20
8	17766.76	17795.29	17737.23
9	19706.28	19739.58	19670.89
10	17493.38	17515.20	17469.37
11	18774.17	18794.91	18751.54
12	18552.49	18586.41	18517.06
		YEARLY AVERAGES	
1	16671.58	16678.59	16664.41
2	17766.41	17787.21	17744.35
3	18631.58	18659.02	18602.21

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	17410.30	17423.59	17419.09	17441.22
2	15623.70	15642.50	15639.61	15673.90
3	16958.48	16988.06	16985.61	17041.10
4	16781.82	16832.82	16817.88	16903.03
5	18747.66	18819.11	18798.04	18917.13
6	16687.81	16751.39	16738.71	16850.42
7	18028.64	18104.33	18092.98	18230.09
8	17838.90	17935.93	17911.51	18078.37
9	19795.17	19912.63	19884.82	20088.58
10	17577.06	17677.99	17661.55	17843.96
11	18873.74	18989.24	18974.59	19188.60
12	18661.85	18800.57	18773.10	19022.20
		YEARLY AVERAGES		
1	16693.57	16721.74	16715.55	16764.81
2	17825.75	17902.69	17885.31	18019.00
3	18726.95	18845.11	18823.51	19035.83

TABLE 1.11: COMPARISON OF SHARE & WAGE ECONOMY INVESTMENT, TOTAL, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	6447.584	6447.512	6447.632	6447.608
2	5767.119	5765.380	5768.273	5767.677
3	6689.921	6680.779	6695.403	6691.572
4	7152.187	7131.918	7164.007	7154.987
5	7006.918	6976.739	7025.565	7012.982
6	6409.710	6376.555	6431.205	6418.163
7	7516.562	7470.354	7547.157	7529.039
8	8001.762	7938.716	8043.233	8017.683
9	7890.563	7815.275	7940.736	7910.357
10	7075.313	7001.733	7124.908	7095.311
11	7856.967	7770.128	7915.182	7879.105
12	7841.717	7738.912	7909.654	7865.137
		YEARLY AVERAGES		
1	6514.203	6506.397	6518.829	6515.461
2	7233.738	7190.591	7261.790	7244.467
3	7666.140	7581.512	7722.620	7687.477

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	6447.680	6447.705	6447.655
2	5769.432	5769.997	5768.869
3	6700.915	6702.485	6699.298
4	7175.914	7178.393	7173.321
5	7044.371	7049.836	7038.770
6	6452.908	6460.568	6445.017
7	7578.159	7589.262	7566.480
8	8085.409	8099.306	8070.621
9	7991.965	8009.394	7973.557
10	7175.737	7193.474	7157.055
11	7975.179	7994.620	7954.540
12	7980.055	8000.313	7958.417
		YEARLY AVERAGES	
1	6523.485	6524.645	6522.286
2	7290.212	7299.743	7280.222
3	7780.734	7799.450	7760.892

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	6447.728	6447.801	6447.776	6447.897
2	5770.597	5772.341	5771.768	5774.709
3	6706.458	6713.516	6712.032	6724.665
4	7187.907	7202.129	7199.985	7226.191
5	7063.334	7087.297	7082.454	7125.357
6	6474.819	6503.769	6496.937	6547.768
7	7609.569	7651.044	7641.391	7714.409
8	8128.300	8183.659	8171.916	8270.825
9	8044.274	8112.562	8097.685	8220.054
10	7227.840	7296.521	7281.261	7404.825
11	8037.046	8117.319	8100.885	8248.078
12	8053.080	8145.610	8128.920	8302.726
		YEARLY AVERAGES		
1	6528.172	6533.947	6532.890	6543.365
2	7319.005	7356.442	7348.174	7414.590
3	7840.560	7918.003	7902.188	8043.921

TABLE 2.1 : COMPARISON OF SHARE & WAGE ECONOMY GNP GAP, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	2334.874	2382.783	2314.336	2347.630
2	2390.044	2443.201	2363.699	2397.107
3	2708.822	2746.654	2686.090	2703.578
4	2551.406	2654.217	2489.216	2542.535
5	2724.229	2817.907	2672.058	2727.345
6	2568.488	2681.465	2503.557	2566.119
7	2336.213	2433.575	2280.638	2332.090
8	2453.516	2612.002	2350.697	2430.826
9	2459.247	2587.861	2377.544	2448.189
10	2856.669	2996.936	2766.529	2842.300
11	2513.909	2623.582	2445.515	2504.604
12	3124.926	3269.843	3021.466	3096.087
		YEARLY AVERAGES		
1	2496.286	2556.714	2463.335	2497.712
2	2520.611	2636.237	2451.737	2514.095
3	2738.688	2869.555	2652.763	2722.795

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	2292.414	2306.903	2277.392
2	2335.507	2343.887	2326.456
3	2660.958	2651.483	2668.232
4	2423.895	2419.237	2429.861
5	2616.892	2625.658	2607.984
6	2434.559	2435.562	2433.050
7	2219.790	2211.092	2226.077
8	2241.107	2225.163	2258.488
9	2289.781	2286.613	2293.620
10	2668.708	2659.874	2677.715
11	2368.367	2354.097	2380.715
12	2908.003	2887.375	2930.546
		YEARLY AVERAGES	
1	2428.193	2430.377	2425.485
2	2378.087	2374.369	2381.400
3	2558.715	2546.990	2570.649

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	2269.108	2260.618	2244.420	2208.791
2	2305.492	2283.734	2273.683	2216.857
3	2633.450	2590.547	2603.592	2520.958
4	2355.443	2284.323	2283.865	2137.810
5	2558.725	2512.768	2497.552	2388.614
6	2361.429	2289.295	2284.106	2126.829
7	2153.555	2069.757	2081.820	1907.277
8	2124.572	1993.770	2000.918	1735.403
9	2195.789	2101.888	2095.400	1892.742
10	2562.870	2447.211	2448.665	2201.666
11	2282.037	2169.016	2186.076	1946.063
12	2783.983	2639.855	2648.823	2349.253
		YEARLY AVERAGES		
1	2390.873	2354.805	2351.390	2271.104
2	2299.570	2216.397	2216.099	2039.531
3	2456.170	2339.492	2344.741	2097.431

TABLE 2.2 : COMPARISON OF SHARE & WAGE ECONOMY GNP, 1977:1–1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	28742.72	28727.93	28748.25	28739.01
2	30370.81	30327.70	30388.81	30363.11
3	31886.40	31824.76	31917.79	31886.07
4	30618.57	30524.42	30669.01	30622.61
5	28972.32	28855.54	29034.04	28974.99
6	30710.24	30548.21	30796.40	30714.24
7	32827.51	32666.36	32919.20	32842.24
8	31633.62	31444.34	31743.75	31655.02
9	30186.60	29996.55	30296.65	30206.42
10	31555.23	31333.85	31683.72	31578.10
11	33624.86	33437.43	33739.26	33654.04
12	31956.41	31760.73	32077.28	31988.92
		YEARLY AVERAGES		
1	30404.62	30351.20	30430.96	30402.70
2	31035.92	30878.61	31123.35	31046.62
3	31830.77	31632.14	31949.23	31856.87

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	28753.78	28750.09	28757.47
2	30406.85	30398.72	30415.26
3	31949.27	31947.77	31951.35
4	30719.65	30721.55	30718.10
5	29096.12	29095.74	29096.52
6	30883.11	30882.35	30883.97
7	33011.63	33020.89	33002.52
8	31854.93	31869.61	31839.86
9	30407.82	30420.47	30394.32
10	31813.64	31827.66	31798.65
11	33855.17	33876.12	33833.42
12	32199.96	32223.53	32174.97
		YEARLY AVERAGES	
1	30457.39	30454.53	30460.54
2	31211.45	31217.15	31205.72
3	32069.15	32086.94	32050.34

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	28759.32	28761.18	28764.86	28772.27
2	30424.95	30434.54	30443.10	30470.57
3	31980.85	32009.86	32012.53	32072.31
4	30770.48	30821.24	30821.50	30921.63
5	29158.52	29217.79	29221.27	29341.09
6	30970.36	31052.53	31058.15	31224.73
7	33104.79	33202.31	33198.68	33386.50
8	31967.17	32088.18	32080.46	32310.77
9	30520.14	30638.82	30633.62	30861.60
10	31945.06	32082.78	32077.98	32343.72
11	33972.65	34104.09	34091.76	34338.41
12	32324.53	32465.23	32451.09	32714.76
		YEARLY AVERAGES		
1	30483.90	30506.70	30510.50	30559.19
2	31300.21	31390.20	31389.64	31565.77
3	32190.59	32322.73	32313.61	32564.62

TABLE 2.3 : COMPARISON OF SHARE & WAGE ECONOMY EMPLOYMENT, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	9301.073	9321.927	9292.410	9306.483
2	9823.333	9840.017	9814.337	9824.877
3	10186.87	10182.99	10184.49	10179.49
4	9859.070	9859.240	9855.353	9854.657
5	9570.387	9564.077	9572.937	9572.623
6	10025.49	10003.07	10036.18	10027.08
7	10343.12	10304.06	10361.97	10341.18
8	10037.93	10005.45	10052.92	10037.01
9	9768.607	9730.380	9788.763	9772.793
10	10246.88	10195.08	10274.77	10252.17
11	10564.06	10505.30	10596.63	10567.94
12	10250.30	10198.79	10278.64	10255.20
		YEARLY AVERAGES		
1	9792.586	9801.042	9786.648	9791.377
2	9994.230	9969.163	10006.00	9994.474
3	10207.46	10157.39	10234.70	10212.03

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	9283.307	9289.263	9277.190
2	9804.603	9806.863	9802.000
3	10181.21	10172.58	10189.18
4	9850.637	9846.403	9855.563
5	9574.647	9578.113	9571.623
6	10045.97	10047.76	10044.18
7	10379.78	10374.46	10384.31
8	10066.63	10064.14	10069.61
9	9808.043	9812.267	9804.260
10	10301.80	10306.33	10297.23
11	10628.28	10627.44	10628.16
12	10305.94	10308.35	10303.67
		YEARLY AVERAGES	
1	9779.939	9778.777	9780.984
2	10016.75	10016.12	10017.43
3	10261.01	10263.60	10258.33

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	9273.763	9270.267	9263.777	9249.507
2	9794.140	9786.043	9782.957	9762.490
3	10177.03	10162.33	10171.96	10148.83
4	9844.917	9834.500	9838.207	9818.980
5	9575.510	9580.493	9575.520	9579.723
6	10054.81	10064.88	10062.69	10078.25
7	10396.48	10403.59	10412.04	10428.24
8	10079.00	10086.38	10089.98	10103.32
9	9826.393	9848.390	9843.760	9880.763
10	10327.87	10356.89	10352.88	10403.10
11	10658.89	10682.97	10688.35	10733.65
12	10332.07	10357.35	10356.89	10401.18
		YEARLY AVERAGES		
1	9772.462	9763.285	9764.226	9744.951
2	10026.45	10033.84	10035.06	10047.38
3	10286.30	10311.40	10310.47	10354.67

TABLE 2.4 : COMPARISON OF SHARE & WAGE ECONOMY RATE OF INFLATION, GNP, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	1.670343	1.670343	1.670343	1.670343
2	2.275161	2.377356	2.232176	2.301982
3	4.326641	4.334310	4.314933	4.314446
4	0.4966167	0.3980558	0.5293292	0.4528423
5	1.665447	1.695106	1.643231	1.658056
6	1.542389	1.511936	1.574472	1.577834
7	4.148723	4.066721	4.193747	4.147158
8	-0.5427530	-0.6895204	-0.4664759	-0.5601652
9	1.952554	1.944470	1.944275	1.933109
10	1.887198	1.777112	1.960707	1.917709
11	6.007085	5.869092	6.091039	6.018969
12	0.1104764E-01	-0.1826346	0.1302043	0.1925008E-01
		YEARLY AVERAGES		
1	2.366140	2.369907	2.358813	2.356424
2	1.703451	1.646061	1.736244	1.705721
3	2.464471	2.352010	2.531556	2.472259

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	1.670343	1.670343	1.670343
2	2.186796	2.216730	2.155964
3	4.301968	4.289990	4.313170
4	0.5619843	0.5081949	0.6141173
5	1.621289	1.622538	1.626627
6	1.608339	1.650847	1.566086
7	4.240419	4.233129	4.245455
8	-0.3887951	-0.4254312	-0.3555794
9	1.937393	1.928144	1.953499
10	2.039685	2.078500	2.002448
11	6.179602	6.185122	6.171755
12	0.2537305	0.2370375	0.2658842
		YEARLY AVERAGES	
1	2.350250	2.338305	2.361084
2	1.770313	1.770271	1.770647
3	2.602602	2.607201	2.598397

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	1.670343	1.670343	1.670343	1.670343
2	2.138962	2.121540	2.088613	2.016532
3	4.287688	4.261335	4.272327	4.228691
4	0.5947543	0.5642494	0.6275298	0.6210855
5	1.599561	1.588255	1.577988	1.554908
6	1.644108	1.730686	1.681729	1.817177
7	4.288466	4.324061	4.338001	4.419490
8	-0.3097642	-0.2856433	-0.2295396	-0.1409655
9	1.932012	1.929507	1.927973	1.937068
10	2.124212	2.260353	2.214525	2.464165
11	6.272627	6.367271	6.370117	6.564842
12	0.3817327	0.4713428	0.5143126	0.7229534
		YEARLY AVERAGES		
1	2.340468	2.315708	2.329490	2.288770
2	1.805593	1.839340	1.842045	1.912652
3	2.677646	2.757118	2.756732	2.922257

TABLE 2.5 : COMPARISON OF SHARE & WAGE ECONOMY RATE OF INFLATION, CONSUMER EXPENDITURE, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	1.555360	1.555360	1.555360	1.555360
2	2.406903	2.430820	2.396808	2.413203
3	2.869168	2.880550	2.862482	2.868866
4	1.414712	1.403304	1.416653	1.406207
5	2.592984	2.598882	2.586377	2.587694
6	2.344079	2.335485	2.349791	2.347662
7	2.648958	2.628071	2.659739	2.648323
8	1.106904	1.060335	1.131359	1.103551
9	2.485137	2.456609	2.497079	2.478988
10	2.337311	2.283222	2.368153	2.340982
11	3.098192	3.032787	3.135081	3.100414
12	1.395112	1.301873	1.449988	1.399264
		YEARLY AVERAGES		
1	2.230261	2.238225	2.225314	2.229426
2	2.173231	2.155693	2.181816	2.171808
3	2.328938	2.268623	2.362575	2.329912

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	1.555360	1.555360	1.555360
2	2.386200	2.393208	2.378935
3	2.855180	2.855236	2.854880
4	1.418182	1.407706	1.428178
5	2.579626	2.575681	2.584800
6	2.355661	2.360762	2.350907
7	2.670850	2.669936	2.671748
8	1.156332	1.148830	1.163213
9	2.509640	2.504054	2.516496
10	2.400701	2.405180	2.396949
11	3.173871	3.175083	3.172810
12	1.507101	1.505016	1.508390
		YEARLY AVERAGES	
1	2.219854	2.218717	2.220664
2	2.190617	2.188802	2.192667
3	2.397828	2.397333	2.398661

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	1.555360	1.555360	1.555360	1.555360
2	2.374949	2.370834	2.363119	2.346209
3	2.847392	2.839719	2.839179	2.822310
4	1.419422	1.407921	1.420188	1.406787
5	2.572547	2.562836	2.565202	2.549095
6	2.361691	2.374608	2.367999	2.389380
7	2.682293	2.692743	2.694065	2.716571
8	1.181882	1.196013	1.207783	1.244882
9	2.522820	2.531704	2.536677	2.561832
10	2.434953	2.475812	2.470854	2.553091
11	3.214558	3.256768	3.257138	3.345271
12	1.566488	1.619349	1.628190	1.742320
		YEARLY AVERAGES		
1	2.213921	2.206158	2.207495	2.191769
2	2.199603	2.206550	2.208762	2.224982
3	2.434705	2.470908	2.473215	2.550628

TABLE 2.6 : COMPARISON OF SHARE & WAGE ECONOMY
LABOUR SHARE, 1977:1–1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.5096495	0.5031210	0.5121077	0.5080467
2	0.4972113	0.4905026	0.5003188	0.4965890
3	0.4679840	0.4643832	0.4712926	0.4707937
4	0.4944978	0.4888072	0.4978655	0.4953034
5	0.5060417	0.4984506	0.5094685	0.5050429
6	0.4960010	0.4893019	0.4992742	0.4956275
7	0.4649652	0.4615688	0.4683896	0.4681615
8	0.4928587	0.4873898	0.4962529	0.4939267
9	0.5033858	0.4960220	0.5068882	0.5027436
10	0.4971255	0.4902147	0.5004933	0.4967023
11	0.4665369	0.4626688	0.4701520	0.4695798
12	0.4959792	0.4898610	0.4995471	0.4966851
		YEARLY AVERAGES		
1	0.4923356	0.4867035	0.4953961	0.4926832
2	0.4899666	0.4841778	0.4933463	0.4906896
3	0.4907568	0.4846916	0.4942701	0.4914277

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.5145660	0.5129723	0.5161535
2	0.5034256	0.5026734	0.5042668
3	0.4746003	0.4772011	0.4720809
4	0.5012314	0.5017933	0.5005239
5	0.5128929	0.5116275	0.5140672
6	0.5025448	0.5019446	0.5031957
7	0.4718123	0.4747490	0.4689406
8	0.4996436	0.5004522	0.4986689
9	0.5103879	0.5094571	0.5112090
10	0.5038576	0.5031793	0.5045653
11	0.4737664	0.4764896	0.4710994
12	0.5031115	0.5034985	0.5025658
		YEARLY AVERAGES	
1	0.4984558	0.4986600	0.4982563
2	0.4967234	0.4971933	0.4962181
3	0.4977808	0.4981561	0.4973599

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.5170242	0.5178979	0.5194824	0.5228236
2	0.5065320	0.5087559	0.5096378	0.5148365
3	0.4779071	0.4836057	0.4812131	0.4900073
4	0.5045953	0.5082770	0.5079575	0.5147546
5	0.5163149	0.5182045	0.5197346	0.5247740
6	0.5058127	0.5082531	0.5090780	0.5145533
7	0.4752333	0.4813311	0.4786525	0.4879076
8	0.5030307	0.5069660	0.5064141	0.5134679
9	0.5138850	0.5161622	0.5173792	0.5228582
10	0.5072184	0.5096448	0.5105754	0.5160980
11	0.4773800	0.4833970	0.4809926	0.4903010
12	0.5066718	0.5102992	0.5102279	0.5170848
		YEARLY AVERAGES		
1	0.5015146	0.5046341	0.5045727	0.5106055
2	0.5000979	0.5036887	0.5034698	0.5101757
3	0.5012888	0.5048758	0.5047938	0.5115855

TABLE 2.7 : COMPARISON OF SHARE & WAGE ECONOMY PERSONAL INCOME TAX IN CURRENT DOLLARS, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	6116.024	6072.701	6132.342	6105.370
2	4811.383	4769.998	4831.014	4808.714
3	6214.910	6190.761	6238.531	6237.127
4	6447.204	6388.364	6479.142	6449.980
5	6854.038	6777.587	6889.850	6846.856
6	5297.392	5233.684	5329.825	5296.335
7	6936.062	6885.514	6977.510	6965.175
8	7223.279	7130.411	7276.772	7231.886
9	7721.352	7611.104	7778.592	7719.660
10	5903.313	5810.336	5952.821	5903.748
11	7878.417	7785.512	7946.008	7912.113
12	8169.095	8036.622	8246.199	8179.734
		YEARLY AVERAGES		
1	5897.380	5855.456	5920.257	5900.298
2	6577.693	6506.799	6618.489	6585.063
3	7418.044	7310.893	7480.905	7428.814

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	6148.668	6138.066	6159.233
2	4850.548	4847.052	4854.656
3	6261.964	6282.774	6241.685
4	6511.033	6511.440	6509.487
5	6925.626	6916.037	6934.904
6	5362.425	5359.668	5365.810
7	7019.242	7045.937	6993.147
8	7330.761	7335.223	7324.689
9	7836.448	7830.572	7841.714
10	6003.318	6000.858	6006.256
11	8015.290	8044.974	7986.286
12	8325.134	8329.482	8318.866
		YEARLY AVERAGES	
1	5943.053	5944.833	5941.265
2	6659.513	6664.216	6654.637
3	7545.047	7551.471	7538.280

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	6165.000	6170.788	6181.338	6203.537
2	4869.984	4884.999	4889.320	4922.541
3	6285.210	6327.703	6308.267	6371.918
4	6542.875	6572.732	6574.666	6633.845
5	6961.361	6985.109	6997.054	7054.050
6	5395.188	5423.665	5428.114	5488.308
7	7061.254	7127.766	7103.541	7210.627
8	7385.244	7440.425	7440.224	7547.498
9	7894.922	7943.864	7954.017	8059.569
10	6054.827	6101.849	6107.374	6206.921
11	8086.302	8184.380	8159.086	8330.640
12	8405.961	8486.301	8488.743	8650.669
		YEARLY AVERAGES		
1	5965.767	5989.055	5988.398	6032.960
2	6700.762	6744.241	6742.233	6825.121
3	7610.503	7679.098	7677.305	7811.950

TABLE 2.8 : COMPARISON OF SHARE & WAGE ECONOMY LABOUR FORCE, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	10136.03	10160.64	10125.83	10142.41
2	10584.12	10610.44	10570.84	10587.59
3	10930.04	10940.23	10920.58	10923.90
4	10628.60	10648.60	10613.97	10624.28
5	10514.51	10534.31	10502.39	10516.60
6	10930.28	10939.90	10922.78	10931.69
7	11229.22	11225.44	11227.48	11226.18
8	10934.52	10941.57	10925.64	10931.11
9	10812.41	10817.54	10805.83	10813.32
10	11237.98	11232.44	11236.86	11239.52
11	11530.94	11518.47	11533.76	11530.24
12	11243.84	11238.90	11241.43	11243.22
		YEARLY AVERAGES		
1	10569.70	10589.98	10557.81	10569.55
2	10902.13	10910.30	10894.57	10901.39
3	11206.29	11201.84	11204.47	11206.57

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	10115.13	10122.13	10107.93
2	10556.61	10561.04	10551.74
3	10909.80	10902.57	10916.12
4	10597.69	10593.81	10602.04
5	10488.53	10492.45	10484.91
6	10913.22	10915.80	10910.52
7	11223.24	11217.67	11227.79
8	10913.66	10909.50	10918.14
9	10796.24	10798.31	10794.55
10	11232.42	11234.70	11230.13
11	11532.86	11528.74	11535.98
12	11234.83	11232.92	11236.88
		YEARLY AVERAGES	
1	10544.81	10544.89	10544.46
2	10884.66	10883.85	10885.34
3	11199.09	11198.67	11199.39

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	10103.91	10099.81	10092.19	10075.46
2	10541.45	10530.88	10525.37	10497.18
3	10897.72	10876.34	10884.35	10845.33
4	10579.77	10557.24	10560.21	10514.64
5	10472.94	10461.84	10455.61	10424.79
6	10901.57	10892.03	10887.81	10860.19
7	11216.44	11199.52	11207.03	11171.36
8	10898.53	10876.15	10880.14	10830.51
9	10783.55	10771.84	10767.68	10733.28
10	11224.51	11216.89	11212.97	11184.92
11	11528.06	11512.52	11519.15	11480.05
12	11223.78	11206.22	11208.02	11161.23
		YEARLY AVERAGES		
1	10530.71	10516.07	10515.53	10483.15
2	10872.37	10857.38	10857.65	10821.71
3	11189.98	11176.87	11176.95	11139.87

TABLE 2.9 : COMPARISON OF SHARE & WAGE ECONOMY SPOT EXCHANGE RATE, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	1.016188	1.016188	1.016188	1.016188
2	1.041394	1.041394	1.041394	1.041394
3	1.062056	1.062052	1.062057	1.062055
4	1.083244	1.083222	1.083253	1.083240
5	1.107349	1.107282	1.107377	1.107340
6	1.132551	1.132385	1.132625	1.132536
7	1.147373	1.147014	1.147538	1.147349
8	1.173168	1.172458	1.173505	1.173136
9	1.189483	1.188197	1.190107	1.189447
10	1.197159	1.194982	1.198240	1.197133
11	1.188752	1.185261	1.190518	1.188759
12	1.190601	1.185227	1.193369	1.190679
		YEARLY AVERAGES		
1	1.050720	1.050714	1.050723	1.050719
2	1.140110	1.139785	1.140261	1.140090
3	1.191499	1.188417	1.193058	1.191504

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	1.016188	1.016188	1.016188
2	1.041394	1.041394	1.041394
3	1.062059	1.062058	1.062059
4	1.083261	1.083257	1.083265
5	1.107404	1.107395	1.107414
6	1.132697	1.132679	1.132714
7	1.147700	1.147671	1.147730
8	1.173836	1.173791	1.173882
9	1.190722	1.190661	1.190786
10	1.199307	1.199234	1.199386
11	1.192266	1.192189	1.192350
12	1.196115	1.196053	1.196186
		YEARLY AVERAGES	
1	1.050725	1.050724	1.050726
2	1.140409	1.140384	1.140435
3	1.194603	1.194534	1.194677

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	1.016188	1.016188	1.016188	1.016188
2	1.041394	1.041394	1.041394	1.041394
3	1.062060	1.062060	1.062061	1.062063
4	1.083269	1.083273	1.083277	1.083288
5	1.107431	1.107447	1.107457	1.107497
6	1.132767	1.132817	1.132835	1.132948
7	1.147859	1.147981	1.148014	1.148279
8	1.174161	1.174425	1.174481	1.175039
9	1.191328	1.191842	1.191925	1.192988
10	1.200361	1.201283	1.201401	1.203282
11	1.193995	1.195550	1.195705	1.198840
12	1.198838	1.201344	1.201538	1.206546
		YEARLY AVERAGES		
1	1.050728	1.050729	1.050730	1.050733
2	1.140554	1.140667	1.140697	1.140941
3	1.196130	1.197505	1.197642	1.200414

TABLE 2.10: COMPARISON OF SHARE & WAGE ECONOMY CONSUMER EXPENDITURE, TOTAL, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	18186.18	18166.70	18193.52	18181.39
2	19499.32	19453.83	19518.66	19492.15
3	19061.36	19008.52	19090.71	19066.28
4	20931.61	20855.35	20975.01	20939.96
5	18540.69	18453.07	18586.68	18542.35
6	19782.59	19665.35	19843.02	19782.33
7	19382.20	19261.14	19452.43	19396.71
8	21212.63	21067.55	21298.66	21232.61
9	18749.62	18607.00	18830.47	18761.59
10	19909.29	19740.59	20003.10	19919.37
11	19483.08	19315.06	19584.33	19507.18
12	21293.54	21106.40	21407.25	21320.95
		YEARLY AVERAGES		
1	19419.62	19371.10	19444.47	19419.94
2	19729.53	19611.78	19795.20	19738.50
3	19858.88	19692.26	19956.29	19877.27

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	18200.87	18196.10	18205.62
2	19537.97	19530.37	19545.90
3	19119.96	19123.70	19116.81
4	21018.35	21024.37	21012.27
5	18632.68	18631.68	18633.37
6	19903.57	19899.85	19907.35
7	19522.95	19533.38	19512.93
8	21385.21	21399.67	21370.27
9	18911.93	18918.45	18904.63
10	20097.84	20101.64	20093.55
11	19686.92	19704.32	19669.45
12	21522.73	21541.98	21502.47
		YEARLY AVERAGES	
1	19469.29	19468.63	19470.15
2	19861.10	19866.14	19855.98
3	20054.85	20066.60	20042.52

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	18208.21	18210.82	18215.56	18225.55
2	19557.26	19568.46	19576.51	19606.43
3	19149.13	19180.80	19178.21	19237.55
4	21061.63	21108.55	21104.85	21192.51
5	18678.68	18721.04	18724.68	18810.42
6	19964.25	20017.89	20025.06	20136.45
7	19593.75	19671.15	19664.83	19809.98
8	21472.27	21568.71	21559.86	21739.73
9	18993.98	19077.59	19076.64	19239.04
10	20193.52	20287.51	20290.15	20477.06
11	19790.88	19906.65	19896.23	20114.37
12	21640.00	21769.80	21759.13	22004.76
		YEARLY AVERAGES		
1	19494.06	19517.16	19518.78	19565.51
2	19927.24	19994.70	19993.61	20124.14
3	20154.59	20260.39	20255.54	20458.81

TABLE 2.11: COMPARISON OF SHARE & WAGE ECONOMY INVESTMENT, TOTAL, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	6099.829	6099.721	6099.869	6099.802
2	6921.609	6917.323	6923.247	6920.570
3	7061.159	7047.607	7066.752	7058.611
4	6816.022	6792.574	6827.114	6814.313
5	6075.369	6047.447	6089.661	6075.305
6	7047.948	7006.087	7070.300	7049.183
7	7234.264	7176.575	7265.399	7236.121
8	7039.873	6971.850	7077.606	7043.659
9	6355.247	6290.601	6391.993	6360.328
10	7267.572	7197.624	7308.190	7274.168
11	7354.337	7278.258	7398.979	7361.770
12	7060.151	6981.880	7106.900	7068.794
		YEARLY AVERAGES		
1	6724.655	6714.306	6729.245	6723.324
2	6849.363	6800.490	6875.741	6851.067
3	7009.327	6937.091	7051.515	7016.265

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	6099.909	6099.882	6099.936
2	6924.892	6923.845	6925.940
3	7072.371	7069.719	7075.086
4	6838.257	6836.248	6840.441
5	6104.028	6103.451	6104.756
6	7092.840	7092.994	7092.736
7	7296.899	7297.047	7296.745
8	7115.902	7117.590	7114.241
9	6429.356	6432.366	6426.339
10	7349.645	7353.799	7345.338
11	7444.722	7449.307	7439.874
12	7155.020	7160.680	7149.098
		YEARLY AVERAGES	
1	6733.857	6732.423	6735.351
2	6902.417	6902.770	6902.119
3	7094.686	7099.038	7090.162

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	6099.950	6099.963	6099.990	6100.044
2	6926.544	6927.150	6928.204	6930.485
3	7078.017	7080.929	7083.688	7092.237
4	6849.450	6858.375	6860.691	6880.686
5	6118.469	6131.879	6132.982	6160.582
6	7115.567	7137.518	7138.482	7182.749
7	7328.765	7359.364	7360.999	7423.087
8	7154.770	7193.690	7194.213	7272.008
9	6467.348	6506.785	6505.977	6583.659
10	7391.955	7436.662	7435.142	7522.908
11	7491.602	7541.130	7539.657	7637.518
12	7204.566	7257.950	7255.600	7361.058
		YEARLY AVERAGES		
1	6738.490	6741.604	6743.143	6750.863
2	6929.393	6955.613	6956.669	7009.606
3	7138.868	7185.632	7184.094	7276.286

TABLE 3.1 : COMPARISON OF SHARE & WAGE ECONOMY GNP GAP, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	2789.403	2805.707	2779.659	2791.491
2	2447.403	2473.118	2431.470	2443.452
3	2764.775	2817.333	2727.049	2750.878
4	3194.752	3231.852	3167.934	3188.919
5	2906.319	2977.073	2863.365	2902.551
6	2644.713	2717.816	2606.243	2647.482
7	3354.210	3468.058	3277.321	3333.358
8	3892.706	3983.219	3833.325	3884.753
9	3669.419	3802.925	3590.487	3667.546
10	3350.847	3463.273	3283.772	3344.506
11	4247.519	4396.928	4150.990	4233.662
12	4140.431	4239.667	4076.920	4138.568
		YEARLY AVERAGES		
1	2799.083	2832.002	2776.528	2793.685
2	3199.487	3286.541	3145.063	3192.036
3	3852.054	3975.698	3775.542	3846.070

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	2768.391	2771.149	2765.560
2	2413.113	2404.517	2419.748
3	2686.916	2675.482	2699.727
4	3138.691	3136.947	3140.422
5	2817.088	2815.583	2818.832
6	2563.602	2561.652	2563.903
7	3195.403	3180.396	3211.496
8	3769.336	3769.618	3768.868
9	3505.442	3509.855	3500.747
10	3209.653	3200.133	3217.338
11	4046.733	4043.228	4051.268
12	4007.043	4015.199	3998.135
		YEARLY AVERAGES	
1	2751.778	2747.024	2756.364
2	3086.357	3081.812	3090.775
3	3692.218	3692.104	3691.872

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	2755.597	2744.681	2741.279	2712.089
2	2392.354	2356.485	2369.216	2299.542
3	2644.403	2591.339	2599.536	2498.656
4	3107.023	3075.929	3072.935	3005.866
5	2767.451	2715.867	2714.417	2603.114
6	2516.730	2459.881	2465.568	2341.749
7	3108.364	3008.510	3016.111	2817.049
8	3700.643	3637.085	3627.148	3486.418
9	3414.085	3328.396	3316.215	3121.639
10	3128.252	3028.469	3039.326	2827.759
11	3934.448	3823.533	3813.822	3572.336
12	3930.507	3867.485	3847.008	3693.150
		YEARLY AVERAGES		
1	2724.844	2692.108	2695.741	2629.038
2	3023.297	2955.336	2955.811	2812.082
3	3601.823	3511.971	3504.093	3303.721

TABLE 3.2 : COMPARISON OF SHARE & WAGE ECONOMY GNP, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	32471.66	32454.69	32479.24	32469.86
2	34519.95	34487.43	34539.63	34526.23
3	33061.70	33002.12	33097.79	33072.80
4	31034.15	30951.69	31080.63	31041.99
5	32796.50	32672.93	32864.14	32803.72
6	35065.15	34936.91	35139.25	35079.44
7	33289.22	33133.85	33379.12	33306.32
8	30788.12	30626.10	30878.10	30798.12
9	32277.01	32079.19	32384.22	32283.59
10	34485.64	34311.41	34583.20	34496.91
11	32385.49	32196.22	32490.81	32396.21
12	30369.70	30190.25	30465.49	30372.01
		YEARLY AVERAGES		
1	32771.86	32723.98	32799.32	32777.72
2	32984.75	32842.45	33065.15	32996.90
3	32379.46	32194.27	32480.93	32387.18

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	32486.82	32485.04	32488.59
2	34559.35	34565.22	34553.60
3	33134.01	33143.97	33123.78
4	31127.33	31133.19	31120.88
5	32932.16	32935.98	32927.86
6	35213.87	35223.93	35203.64
7	33469.71	33481.41	33457.46
8	30968.82	30972.85	30964.01
9	32492.32	32491.22	32492.96
10	34681.61	34685.43	34677.85
11	32597.06	32599.45	32594.46
12	30561.93	30555.87	30567.67
		YEARLY AVERAGES	
1	32826.88	32831.85	32821.71
2	33146.14	33153.54	33138.24
3	32583.23	32582.99	32583.23

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	32494.40	32500.23	32501.99	32515.44
2	34579.12	34604.39	34598.93	34643.74
3	33170.36	33215.61	33206.82	33287.71
4	31174.27	31225.28	31221.44	31318.21
5	33000.56	33069.68	33069.34	33204.80
6	35288.99	35370.37	35364.62	35518.74
7	33561.00	33659.13	33652.98	33839.49
8	31060.26	31150.33	31152.45	31330.60
9	32601.31	32702.20	32711.22	32916.63
10	34780.88	34877.19	34881.05	35072.39
11	32704.27	32806.30	32812.51	33017.10
12	30659.06	30742.23	30756.93	30931.53
		YEARLY AVERAGES		
1	32854.54	32886.38	32882.29	32941.27
2	33227.70	33312.38	33309.85	33473.41
3	32686.38	32781.98	32790.43	32984.41

TABLE 3.3 : COMPARISON OF SHARE & WAGE ECONOMY EMPLOYMENT, 1980:2–1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	10625.05	10633.65	10620.42	10626.06
2	10892.15	10894.72	10888.19	10888.19
3	10539.24	10543.60	10535.17	10538.24
4	10217.79	10210.10	10221.48	10220.78
5	10658.22	10639.38	10667.75	10661.20
6	10955.02	10928.83	10969.00	10956.65
7	10607.77	10587.19	10618.10	10609.42
8	10249.17	10221.94	10263.92	10254.01
9	10650.66	10617.87	10668.25	10655.36
10	10907.06	10869.21	10925.83	10905.64
11	10500.32	10468.66	10516.50	10501.90
12	10112.25	10067.88	10136.43	10117.14
		YEARLY AVERAGES		
1	10568.56	10570.52	10566.31	10568.32
2	10617.55	10594.34	10629.69	10620.32
3	10542.57	10505.91	10561.75	10545.01

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	10615.30	10616.51	10614.06
2	10883.30	10878.07	10887.87
3	10530.12	10529.28	10531.37
4	10224.38	10228.59	10220.24
5	10676.44	10679.96	10672.77
6	10982.04	10981.09	10982.26
7	10627.43	10628.18	10626.96
8	10278.01	10283.87	10272.14
9	10685.06	10690.19	10679.58
10	10943.71	10938.89	10947.73
11	10531.73	10532.10	10531.80
12	10160.21	10165.34	10155.10
		YEARLY AVERAGES	
1	10563.27	10563.11	10563.38
2	10640.98	10643.28	10638.53
3	10580.18	10581.63	10578.55

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	10609.68	10604.99	10603.58	10591.50
2	10877.49	10864.42	10870.76	10847.31
3	10524.13	10516.81	10517.20	10500.92
4	10226.49	10233.53	10227.82	10235.60
5	10684.28	10695.52	10691.25	10707.74
6	10994.12	11001.93	11005.22	11018.95
7	10635.73	10643.20	10642.96	10654.23
8	10291.41	10311.26	10304.06	10335.91
9	10701.05	10721.92	10716.14	10750.09
10	10960.62	10968.48	10976.49	10993.90
11	10545.96	10558.75	10559.10	10581.33
12	10183.54	10212.08	10206.34	10256.90
		YEARLY AVERAGES		
1	10559.45	10554.94	10554.84	10543.83
2	10651.38	10662.98	10660.87	10679.21
3	10597.79	10615.31	10614.52	10645.55

TABLE 3.4 : COMPARISON OF SHARE & WAGE ECONOMY RATE OF INFLATION, GNP, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	2.207825	2.207825	2.207825	2.207825
2	5.609548	5.646054	5.589256	5.613941
3	-0.6298050	-0.6292015	-0.6365320	-0.6450891
4	2.088486	2.105657	2.072495	2.079915
5	2.510380	2.465004	2.543273	2.533199
6	3.947238	3.922768	3.967083	3.956949
7	-0.7549782	-0.8095010	-0.7174963	-0.7523092
8	2.328618	2.341948	2.310495	2.310529
9	2.094511	2.024852	2.142048	2.119461
10	3.457846	3.408299	3.496587	3.474780
11	-2.175712	-2.310401	-2.099981	-2.188385
12	1.084223	1.037202	1.109590	1.086638
		YEARLY AVERAGES		
1	2.356076	2.374170	2.341740	2.349589
2	2.007814	1.980055	2.025839	2.012092
3	1.115217	1.039988	1.162061	1.123124

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	2.207825	2.207825	2.207825
2	5.566519	5.572000	5.560948
3	-0.6449927	-0.6674403	-0.6254181
4	2.056751	2.056159	2.062197
5	2.577773	2.607607	2.547693
6	3.987930	3.994582	3.980185
7	-0.6790783	-0.6913735	-0.6698703
8	2.293835	2.285531	2.306795
9	2.193594	2.229112	2.157919
10	3.538034	3.550623	3.523618
11	-2.021499	-2.056389	-1.989162
12	1.138581	1.150650	1.132076
		YEARLY AVERAGES	
1	2.326092	2.320239	2.332576
2	2.045115	2.049087	2.041200
3	1.212177	1.218499	1.206112

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	2.207825	2.207825	2.207825	2.207825
2	5.541336	5.520229	5.513707	5.458585
3	-0.6552317	-0.6960547	-0.6672081	-0.7305631
4	2.041427	2.034549	2.026564	2.015246
5	2.613797	2.688012	2.651308	2.773982
6	4.009656	4.035054	4.032135	4.077839
7	-0.6397632	-0.6269289	-0.5995104	-0.5592083
8	2.278719	2.266833	2.265025	2.254396
9	2.249183	2.354014	2.308854	2.494488
10	3.582022	3.635524	3.628655	3.729018
11	-1.940149	-1.914028	-1.855961	-1.760713
12	1.171352	1.230088	1.207907	1.325713
		YEARLY AVERAGES		
1	2.309177	2.286241	2.291021	2.247756
2	2.065602	2.090743	2.087240	2.136752
3	1.265602	1.326400	1.322364	1.447127

TABLE 3.5 : COMPARISON OF SHARE & WAGE ECONOMY RATE OF INFLATION, CONSUMER EXPENDITURE, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	2.066125	2.066125	2.066125	2.066125
2	3.494271	3.502644	3.489624	3.495287
3	1.280631	1.284034	1.277228	1.277392
4	2.791839	2.799784	2.785270	2.788807
5	2.651327	2.644666	2.655434	2.654429
6	2.772328	2.766070	2.776770	2.774926
7	1.162167	1.143782	1.174627	1.164930
8	2.464015	2.456176	2.467014	2.461792
9	2.059745	2.032120	2.077297	2.065805
10	2.142908	2.114424	2.161775	2.148918
11	0.1926895	0.1358108	0.2263575	0.1943197
12	1.459775	1.409824	1.489124	1.463458
		YEARLY AVERAGES		
1	2.522247	2.528821	2.517374	2.520495
2	2.262459	2.252673	2.268461	2.264019
3	1.463779	1.423045	1.488638	1.468125

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	2.066125	2.066125	2.066125
2	3.484397	3.485656	3.483139
3	1.273176	1.268297	1.277354
4	2.778364	2.776663	2.780916
5	2.659582	2.664395	2.654901
6	2.781341	2.784246	2.778386
7	1.187318	1.187078	1.186831
8	2.470461	2.469485	2.472291
9	2.096093	2.104079	2.088140
10	2.181868	2.187908	2.175657
11	0.2615262	0.2582991	0.2640450
12	1.520222	1.524129	1.517343
		YEARLY AVERAGES	
1	2.511979	2.510205	2.513803
2	2.274676	2.276301	2.273102
3	1.514927	1.518604	1.511296

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	2.066125	2.066125	2.066125	2.066125
2	3.478638	3.473798	3.472297	3.459616
3	1.268476	1.256842	1.263175	1.243120
4	2.771073	2.763298	2.763443	2.748850
5	2.663772	2.674474	2.667959	2.684708
6	2.785955	2.793900	2.790700	2.803754
7	1.200283	1.210274	1.213438	1.234309
8	2.474400	2.479049	2.478831	2.490447
9	2.116050	2.146948	2.137168	2.194336
10	2.203146	2.231310	2.225609	2.279040
11	0.2981525	0.3278004	0.3362326	0.4028735
12	1.553183	1.591826	1.588000	1.666766
		YEARLY AVERAGES		
1	2.506062	2.497979	2.499638	2.483862
2	2.281103	2.289424	2.287732	2.303304
3	1.542633	1.574471	1.571752	1.635754

TABLE 3.6 : COMPARISON OF SHARE & WAGE ECONOMY LABOUR SHARE, 1980:2–1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.5002428	0.4947563	0.5026945	0.4996704
2	0.4692489	0.4658152	0.4723738	0.4719317
3	0.4965008	0.4905585	0.4998539	0.4970452
4	0.5092898	0.5012236	0.5127423	0.5078645
5	0.4982112	0.4911030	0.5015256	0.4974979
6	0.4679291	0.4641611	0.4713440	0.4707343
7	0.4974277	0.4913266	0.5008540	0.4979168
8	0.5130952	0.5044902	0.5166262	0.5112583
9	0.5015175	0.4938533	0.5048938	0.5003515
10	0.4690136	0.4647756	0.4725809	0.4716026
11	0.5006932	0.4940068	0.5042403	0.5007951
12	0.5117002	0.5029613	0.5153534	0.5099255
		YEARLY AVERAGES		
1	0.4938206	0.4880884	0.4969161	0.4941279
2	0.4941658	0.4877702	0.4975874	0.4943518
3	0.4957311	0.4888992	0.4992671	0.4956687

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.5051463	0.5045846	0.5057056
2	0.4754983	0.4780467	0.4729922
3	0.5032058	0.5035276	0.5027316
4	0.5161930	0.5144994	0.5178090
5	0.5048377	0.5038855	0.5058690
6	0.4747576	0.4773034	0.4722991
7	0.5042777	0.5044986	0.5039160
8	0.5201551	0.5180201	0.5222153
9	0.5082678	0.5068429	0.5097934
10	0.4761483	0.4784305	0.4739858
11	0.5077856	0.5075780	0.5078728
12	0.5190070	0.5168923	0.5210799
		YEARLY AVERAGES	
1	0.5000108	0.5001646	0.4998096
2	0.5010070	0.5009269	0.5010748
3	0.5028022	0.5024359	0.5031830

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.5075981	0.5094987	0.5100499	0.5144129
2	0.4786224	0.4841601	0.4817461	0.4902721
3	0.5065564	0.5100060	0.5099058	0.5164802
4	0.5196418	0.5211282	0.5230889	0.5277511
5	0.5081477	0.5102660	0.5114555	0.5166394
6	0.4781698	0.4838683	0.4815806	0.4904289
7	0.5076988	0.5110720	0.5111173	0.5176369
8	0.5236819	0.5247754	0.5272066	0.5315239
9	0.5116395	0.5133270	0.5150088	0.5198035
10	0.4797156	0.4852589	0.4832829	0.4920871
11	0.5113289	0.5143545	0.5148700	0.5211234
12	0.5226608	0.5238603	0.5263147	0.5308285
		YEARLY AVERAGES		
1	0.5031047	0.5061982	0.5061977	0.5122291
2	0.5044245	0.5074954	0.5078400	0.5140573
3	0.5063362	0.5092002	0.5098691	0.5159606

TABLE 3.7 : COMPARISON OF SHARE & WAGE ECONOMY PERSONAL INCOME TAX IN CURRENT DOLLARS, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	6351.027	6295.949	6375.657	6345.272
2	8757.871	8724.846	8790.174	8788.608
3	8951.881	8880.846	8990.797	8956.343
4	9718.768	9622.067	9762.909	9707.705
5	7348.827	7263.821	7390.573	7344.716
6	9943.192	9881.769	9994.472	9980.922
7	10425.11	10309.26	10489.43	10431.82
8	11215.25	11071.36	11283.07	11200.52
9	8139.213	8025.192	8195.218	8131.603
10	11004.02	10908.59	11075.25	11043.33
11	11429.48	11274.95	11512.72	11430.56
12	12148.08	11969.31	12235.93	12133.27
		YEARLY AVERAGES		
1	8444.887	8380.927	8479.884	8449.482
2	9733.095	9631.552	9789.386	9739.494
3	10680.20	10544.51	10754.78	10684.69

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	6400.299	6394.643	6405.931
2	8822.292	8851.638	8793.423
3	9029.559	9031.264	9026.044
4	9806.927	9792.930	9820.289
5	7432.427	7426.097	7439.698
6	10045.90	10080.71	10012.06
7	10554.11	10555.79	10550.44
8	11351.38	11331.57	11370.60
9	8252.069	8241.236	8264.126
10	11147.77	11182.89	11114.03
11	11597.35	11591.24	11601.69
12	12325.53	12303.67	12347.38
		YEARLY AVERAGES	
1	8514.769	8517.619	8511.422
2	9845.954	9848.542	9843.199
3	10830.68	10829.76	10831.81

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	6424.953	6444.062	6449.618	6493.529
2	8854.224	8913.915	8885.966	8975.420
3	9068.165	9105.587	9106.610	9179.292
4	9850.821	9877.730	9894.589	9962.096
5	7474.387	7507.949	7516.450	7590.253
6	10097.48	10181.06	10149.19	10281.94
7	10619.17	10681.14	10684.58	10807.85
8	11420.17	11464.51	11489.44	11599.32
9	8309.780	8354.190	8368.365	8470.571
10	11221.59	11327.38	11296.73	11476.91
11	11683.41	11757.24	11770.93	11928.82
12	12416.93	12480.87	12510.17	12665.29
		YEARLY AVERAGES		
1	8549.541	8585.323	8584.196	8652.584
2	9902.802	9958.665	9959.915	10069.84
3	10907.93	10979.92	10986.55	11135.40

TABLE 3.8 : COMPARISON OF SHARE & WAGE ECONOMY LABOUR FORCE, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	11564.49	11575.08	11558.84	11565.73
2	11835.57	11842.72	11828.76	11831.08
3	11518.97	11532.11	11509.16	11516.49
4	11388.01	11393.11	11383.39	11389.27
5	11804.26	11802.16	11803.06	11805.56
6	12087.77	12081.31	12089.03	12087.39
7	11770.09	11773.81	11764.73	11769.13
8	11613.75	11615.32	11610.09	11616.05
9	12016.06	12017.16	12012.31	12018.68
10	12286.06	12285.70	12281.11	12282.09
11	11941.04	11951.38	11930.59	11939.67
12	11764.93	11765.14	11761.00	11767.35
		YEARLY AVERAGES		
1	11576.76	11585.75	11570.04	11575.64
2	11818.97	11818.15	11816.73	11819.53
3	12002.02	12004.84	11996.25	12001.95

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	11552.63	11554.11	11551.13
2	11820.78	11814.88	11825.91
3	11497.92	11495.47	11500.68
4	11377.30	11379.92	11374.72
5	11800.09	11802.39	11797.62
6	12088.18	12085.62	12089.90
7	11756.90	11755.51	11758.50
8	11604.04	11608.24	11599.78
9	12005.83	12010.34	12000.91
10	12273.02	12267.12	12277.92
11	11916.67	11915.72	11917.87
12	11753.92	11758.67	11749.04
		YEARLY AVERAGES	
1	11562.16	11561.10	11563.11
2	11812.30	11812.94	11811.45
3	11987.36	11987.96	11986.44

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	11545.86	11540.22	11538.52	11524.06
2	11811.62	11794.19	11801.30	11769.08
3	11485.26	11469.15	11471.19	11437.65
4	11369.73	11365.10	11360.70	11344.85
5	11795.34	11792.54	11788.80	11775.89
6	12085.19	12075.78	12080.02	12057.65
7	11746.57	11732.59	11733.68	11700.06
8	11595.57	11591.48	11584.60	11565.37
9	11996.52	11991.42	11984.29	11961.23
10	12261.67	12239.93	12246.94	12199.66
11	11899.14	11878.56	11877.85	11827.15
12	11743.57	11738.08	11729.78	11704.45
		YEARLY AVERAGES		
1	11553.12	11542.16	11542.93	11518.91
2	11805.67	11798.10	11796.78	11774.74
3	11975.23	11962.00	11959.72	11923.12

TABLE 3.9 : COMPARISON OF SHARE & WAGE ECONOMY SPOT EXCHANGE RATE, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	1.170439	1.170438	1.170439	1.170439
2	1.159131	1.159126	1.159134	1.159131
3	1.157122	1.157094	1.157137	1.157123
4	1.179872	1.179782	1.179919	1.179878
5	1.204834	1.204611	1.204953	1.204854
6	1.223393	1.222919	1.223649	1.223438
7	1.225810	1.224901	1.226306	1.225898
8	1.216104	1.214530	1.216965	1.216256
9	1.185722	1.183213	1.187100	1.185964
10	1.162093	1.158289	1.164190	1.162455
11	1.140614	1.135004	1.143713	1.141134
12	1.126317	1.118315	1.130746	1.127036
		YEARLY AVERAGES		
1	1.166641	1.166610	1.166657	1.166643
2	1.217535	1.216740	1.217968	1.217611
3	1.153686	1.148705	1.156437	1.154147

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	1.170440	1.170440	1.170440
2	1.159137	1.159137	1.159137
3	1.157150	1.157151	1.157150
4	1.179964	1.179969	1.179960
5	1.205069	1.205085	1.205052
6	1.223900	1.223936	1.223861
7	1.226792	1.226861	1.226718
8	1.217812	1.217930	1.217688
9	1.188461	1.188645	1.188267
10	1.166263	1.166533	1.165980
11	1.146784	1.147161	1.146389
12	1.135146	1.135652	1.134616
		YEARLY AVERAGES	
1	1.166673	1.166674	1.166672
2	1.218393	1.218453	1.218330
3	1.159164	1.159498	1.158813

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	1.170440	1.170440	1.170440	1.170441
2	1.159139	1.159142	1.159142	1.159146
3	1.157164	1.157177	1.157177	1.157202
4	1.180009	1.180055	1.180052	1.180137
5	1.205182	1.205305	1.205293	1.205515
6	1.224145	1.224413	1.224384	1.224869
7	1.227269	1.227789	1.227736	1.228682
8	1.218646	1.219553	1.219466	1.221126
9	1.189803	1.191257	1.191127	1.193802
10	1.168313	1.170523	1.170340	1.174425
11	1.149827	1.153081	1.152841	1.158893
12	1.139515	1.144154	1.143853	1.152534
		YEARLY AVERAGES		
1	1.166688	1.166703	1.166703	1.166732
2	1.218810	1.219265	1.219220	1.220048
3	1.161864	1.164754	1.164540	1.169913

TABLE 3.10: COMPARISON OF SHARE & WAGE ECONOMY CONSUMER EXPENDITURE, TOTAL, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	20511.43	20488.62	20521.63	20509.05
2	19931.21	19895.62	19953.73	19940.31
3	21888.34	21829.03	21924.85	21900.63
4	19327.07	19254.98	19366.03	19330.90
5	20517.98	20415.62	20570.62	20517.87
6	20003.05	19897.04	20065.03	20017.11
7	21814.02	21685.89	21889.66	21831.50
8	18929.38	18802.49	18998.21	18934.38
9	20302.14	20146.36	20383.06	20301.03
10	19897.76	19747.26	19983.50	19910.64
11	21760.53	21593.52	21855.68	21773.80
12	19059.86	18905.61	19142.30	19061.20
		YEARLY AVERAGES		
1	20414.51	20367.06	20441.56	20420.22
2	20316.11	20200.26	20380.88	20325.21
3	20255.07	20098.19	20341.13	20261.67

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	20531.84	20529.49	20534.17
2	19976.22	19984.83	19967.77
3	21961.29	21971.97	21950.08
4	19404.96	19406.69	19402.53
5	20623.31	20620.36	20626.01
6	20127.16	20137.80	20116.77
7	21965.62	21978.34	21952.37
8	19067.41	19067.72	19066.35
9	20464.58	20458.03	20470.98
10	20070.09	20077.23	20063.47
11	21951.91	21958.07	21945.55
12	19225.75	19220.49	19230.65
		YEARLY AVERAGES	
1	20468.58	20473.24	20463.64
2	20445.87	20451.05	20440.37
3	20428.08	20428.45	20427.66

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	20542.05	20549.96	20552.26	20570.44
2	19998.65	20029.17	20021.04	20073.32
3	21997.66	22043.02	22033.95	22113.77
4	19443.84	19482.32	19482.69	19557.80
5	20676.07	20723.11	20728.87	20826.08
6	20189.45	20259.12	20251.88	20381.02
7	22041.89	22126.39	22118.47	22275.63
8	19136.99	19202.49	19206.95	19338.70
9	20546.72	20617.38	20629.47	20779.13
10	20157.54	20247.08	20245.86	20420.26
11	22049.25	22146.47	22147.69	22339.14
12	19310.24	19383.66	19395.78	19550.90
		YEARLY AVERAGES		
1	20495.55	20526.12	20522.48	20578.83
2	20511.10	20577.78	20576.54	20705.36
3	20515.94	20598.65	20604.70	20772.36

TABLE 3.11: COMPARISON OF SHARE & WAGE ECONOMY INVESTMENT, TOTAL, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	7821.440	7821.321	7821.493	7821.427
2	7838.624	7835.648	7840.002	7838.382
3	7557.500	7549.191	7562.150	7558.381
4	6843.327	6830.870	6850.677	6845.306
5	7742.807	7721.074	7755.390	7745.527
6	7724.481	7692.356	7742.545	7727.173
7	7369.525	7330.388	7391.593	7372.741
8	6635.078	6595.600	6657.588	6638.677
9	7513.804	7467.664	7540.090	7517.583
10	7444.948	7391.093	7475.182	7448.067
11	7146.854	7087.359	7180.289	7150.008
12	6488.213	6432.224	6519.812	6491.208
		YEARLY AVERAGES		
1	7515.223	7509.257	7518.580	7515.874
2	7367.973	7334.854	7386.779	7371.029
3	7148.455	7094.585	7178.843	7151.716

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	7821.546	7821.534	7821.559
2	7841.388	7841.144	7841.631
3	7566.821	7567.654	7566.012
4	6858.059	6859.869	6856.234
5	7768.052	7770.283	7765.696
6	7760.765	7762.587	7758.758
7	7413.900	7416.000	7411.654
8	6680.369	6682.779	6677.838
9	7566.773	7568.979	7564.403
10	7505.969	7507.077	7504.695
11	7214.457	7215.341	7213.489
12	6552.171	6552.955	6551.343
		YEARLY AVERAGES	
1	7521.953	7522.550	7521.359
2	7405.771	7407.912	7403.486
3	7209.842	7211.088	7208.482

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	7821.599	7821.640	7821.653	7821.747
2	7842.781	7843.937	7844.181	7846.759
3	7571.513	7577.010	7576.226	7586.445
4	6865.474	6874.554	6872.920	6889.357
5	7780.794	7795.335	7793.612	7820.677
6	7779.142	7798.597	7797.676	7835.199
7	7436.447	7460.174	7459.234	7505.271
8	6703.425	6727.923	6726.756	6774.127
9	7593.858	7621.896	7621.352	7676.383
10	7537.321	7568.218	7569.251	7631.589
11	7249.381	7283.522	7285.083	7354.727
12	6585.317	6617.663	6619.280	6685.547
		YEARLY AVERAGES		
1	7525.342	7529.285	7528.745	7536.077
2	7424.952	7445.507	7444.319	7483.818
3	7241.469	7272.825	7273.741	7337.061

TABLE A.1 : IMPACT OF A BANK-RATE SHOCK ON GNP GAP, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	6.448713	6.307363	6.519704	6.450595
3	42.44966	41.49297	42.97603	42.54894
4	56.42777	55.33020	57.48251	57.43195
5	108.0699	105.0698	110.4763	109.7475
6	129.7791	125.0478	132.7872	130.8508
7	181.2762	174.4950	186.2617	184.1322
8	157.2898	151.5674	163.4616	163.3284
9	258.5410	244.0883	269.0933	263.7726
10	251.4907	235.3932	261.9392	254.8616
11	316.5818	295.2681	332.1788	324.1928
12	239.5142	221.4007	255.6804	250.8477
		YEARLY AVERAGES		
1	26.33154	25.78263	26.74456	26.60787
2	144.1037	139.0450	148.2467	147.0147
3	266.5319	249.0376	279.7229	273.4187

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	6.591777	6.598132	6.584019
3	43.51019	43.63594	43.38704
4	58.55480	59.60257	57.59845
5	112.9296	114.6066	111.1465
6	135.8529	136.8799	134.6646
7	191.3888	194.3222	188.4445
8	169.8621	175.9512	163.8469
9	280.0778	285.0731	274.5110
10	272.8210	275.9749	269.3193
11	348.6786	356.4824	340.7625
12	272.9788	284.3991	261.4675
		YEARLY AVERAGES	
1	27.16419	27.45916	26.89238
2	152.5083	155.4400	149.5256
3	293.6390	300.4824	286.5151

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	6.664924	6.749909	6.739134	6.905851
3	44.05203	44.75327	44.60146	45.90014
4	59.64448	61.84089	60.75140	64.14560
5	115.4297	119.6467	117.9765	124.8667
6	138.9758	143.1328	142.1554	149.6068
7	196.6599	205.0852	202.0777	216.4414
8	176.4967	189.4744	183.3707	203.9362
9	291.5069	308.0844	303.3930	332.9035
10	284.1496	298.8427	295.9397	323.5923
11	366.1414	392.5869	384.6353	433.1064
12	291.4983	322.7093	311.3450	363.4837
		YEARLY AVERAGES		
1	27.59036	28.33602	28.02300	29.23790
2	156.8905	164.3348	161.3951	173.7128
3	308.3240	330.5558	323.8282	363.2715

TABLE A.2 : IMPACT OF A BANK-RATE SHOCK ON GNP, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E-00
2	6.679697	6.657711	6.700577	6.699541
3	47.12731	46.89945	47.31531	47.27229
4	83.87411	83.13611	84.43327	84.23514
5	139.6621	138.2017	140.8629	140.5509
6	182.0796	180.0716	183.8228	183.4691
7	259.0439	255.6812	261.9999	261.4105
8	273.9673	269.5318	277.8085	276.9284
9	331.5954	325.5476	336.8853	335.6855
10	353.8503	346.7669	359.9324	358.3655
11	430.0049	419.8756	438.4154	435.8058
12	396.3343	384.6042	405.6134	401.9996
		YEARLY AVERAGES		
1	34.42028	34.17332	34.61229	34.55174
2	213.6882	210.8716	216.1235	215.5897
3	377.9462	369.1986	385.2116	382.9641

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	6.721494	6.741513	6.701628
3	47.50391	47.64750	47.35919
4	84.99544	85.34595	84.63539
5	142.0725	142.9344	141.1905
6	185.5817	186.9281	184.1923
7	264.9906	267.2730	262.6123
8	281.7100	284.5556	278.7212
9	342.2780	346.2131	338.1475
10	366.1540	370.4901	361.5802
11	447.0708	452.6469	441.1796
12	415.2546	420.7202	409.4716
		YEARLY AVERAGES	
1	34.80521	34.93374	34.67405
2	218.5887	220.4228	216.6791
3	392.6893	397.5176	387.5947

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	6.742447	6.783631	6.763437	6.825896
3	47.69310	48.02503	47.88289	48.40484
4	85.56061	86.46839	86.12876	87.60228
5	143.2909	145.3522	144.5181	147.8037
6	187.3565	190.4484	189.1472	194.0299
7	268.0159	273.2694	271.0762	279.4008
8	285.6725	292.4181	289.6966	300.5215
9	347.7753	357.1448	353.3793	368.4966
10	372.5196	383.1721	379.0337	396.4545
11	455.9849	470.5034	465.1759	489.5623
12	425.2913	441.0168	435.7703	463.4647
		YEARLY AVERAGES		
1	34.99904	35.31926	35.19377	35.70825
2	221.0839	225.3720	223.6095	230.4390
3	400.3928	412.9593	408.3398	429.4945

TABLE A.3 : IMPACT OF A BANK-RATE SHOCK ON EMPLOYMENT, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	0.2275096	0.2608869	0.2107958	0.2270724
3	1.935326	2.149111	1.816804	1.909760
4	6.240470	6.400443	6.032037	5.980477
5	9.135003	9.598623	8.694887	8.740220
6	15.24891	16.21574	14.71306	15.18678
7	25.57806	26.83559	24.85237	25.43814
8	38.59227	39.11760	37.82620	37.68617
9	38.83943	40.85693	37.45167	38.36000
10	49.45327	52.09357	48.33830	50.13313
11	61.17010	64.08190	59.70947	61.50623
12	79.23523	80.03127	78.15360	78.30333
		YEARLY AVERAGES		
1	2.100826	2.202610	2.014909	2.029327
2	22.13856	22.94189	21.52163	21.76282
3	57.17451	59.26592	55.91326	57.07567

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	0.1937288	0.1918435	0.1960875
3	1.695786	1.660354	1.730327
4	5.818147	5.539040	6.068770
5	8.242660	7.834597	8.670280
6	14.16282	14.09990	14.28038
7	24.09482	23.91355	24.27601
8	37.00943	36.06320	37.89183
9	35.97577	35.53227	36.50760
10	47.14460	47.86603	46.49510
11	58.08770	58.31780	57.79720
12	76.87113	75.85090	77.76847
		YEARLY AVERAGES	
1	1.926915	1.847809	1.998796
2	20.87743	20.47781	21.27963
3	54.51980	54.39175	54.64209

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	0.1763136	0.1552404	0.1585554	0.1173069
3	1.572327	1.401312	1.446484	1.133077
4	5.598910	5.076963	5.374440	4.595163
5	7.778537	6.883340	7.302753	5.888303
6	13.59862	12.95796	13.02091	11.76428
7	23.30531	22.26080	22.48381	20.47952
8	36.14140	34.24457	35.22157	32.22779
9	34.41070	32.36518	32.75579	28.85329
10	45.87167	45.28490	44.51913	42.38477
11	56.29570	54.44647	54.32383	49.81157
12	75.37437	72.57570	73.64923	54.00133
		YEARLY AVERAGES		
1	1.836888	1.658379	1.744870	1.461387
2	20.20597	19.08667	19.50726	17.58997
3	52.98811	51.16806	51.31200	43.76274

TABLE A.4 : IMPACT OF A BANK-RATE SHOCK ON RATE OF INFLATION, GNP, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	0.5120149E-02	0.5120149E-02	0.5205484E-02	0.5205484E-02
3	0.2501084E-02	0.2833203E-02	0.2415937E-02	0.2498820E-02
4	-0.3393443E-01	-0.3266666E-01	-0.3482224E-01	-0.3410225E-01
5	0.1222061E-01	0.1232923E-01	0.1148527E-01	0.1069993E-01
6	-0.2049562E-01	-0.1852470E-01	-0.2209617E-01	-0.2149692E-01
7	0.1569258E-01	0.1812630E-01	0.1520021E-01	0.1736092E-01
8	0.3238201E-01	0.3303288E-01	0.3188388E-01	0.3179697E-01
9	0.1592354	0.1535780	0.1601058	0.1556297
10	-0.6869210E-03	0.5135282E-02	-0.2310564E-02	0.2373893E-02
11	0.1115848	0.1108550	0.1162841	0.1198015
12	0.1170566	0.1113173	0.1201701	0.1169254
		YEARLY AVERAGES		
1	-0.8771065E-02	-0.8237771E-02	-0.9066939E-02	-0.8799314E-02
2	0.9949895E-02	0.1124093E-01	0.9118297E-02	0.9590226E-02
3	0.9679747E-01	0.9522140E-01	0.9856235E-01	0.9868265E-01

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	0.5205484E-02	0.5205484E-02	0.5205484E-02
3	0.2167366E-02	0.2250782E-02	0.2250140E-02
4	-0.3545608E-01	-0.3570457E-01	-0.3521682E-01
5	0.1075026E-01	0.9227800E-02	0.1188580E-01
6	-0.2369963E-01	-0.2462868E-01	-0.2239425E-01
7	0.1470881E-01	0.1645955E-01	0.1317690E-01
8	0.3124720E-01	0.3044225E-01	0.3174886E-01
9	0.1610502	0.1577018	0.1641245
10	-0.4129928E-02	-0.5775456E-03	-0.6774428E-02
11	0.1214215	0.1295385	0.1130275
12	0.1231758	0.1224496	0.1231507
		YEARLY AVERAGES	
1	-0.9361076E-02	-0.9416101E-02	-0.9253732E-02
2	0.8251661E-02	0.7875229E-02	0.8604326E-02
3	0.1003794	0.1022781	0.9838207E-01

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	0.5120149E-02	0.5205484E-02	0.5120149E-02	0.5120149E-02
3	0.2170847E-02	0.1920130E-02	0.2005628E-02	0.1758660E-02
4	-0.3618129E-01	-0.3722796E-01	-0.3698417E-01	-0.3892407E-01
5	0.9861024E-02	0.7603611E-02	0.9128428E-02	0.6057477E-02
6	-0.2530407E-01	-0.2784263E-01	-0.2698603E-01	-0.3121826E-01
7	0.1429261E-01	0.1571485E-01	0.1387969E-01	0.1505535E-01
8	0.3054267E-01	0.2881840E-01	0.2984472E-01	0.2699712E-01
9	0.1620003	0.1597292	0.1628892	0.1618485
10	-0.5947614E-02	-0.3781792E-02	-0.7826739E-02	-0.7308053E-02
11	0.1266749	0.1406380	0.1323646	0.1529679
12	0.1262022	0.1275452	0.1291760	0.1323870
		YEARLY AVERAGES		
1	-0.9630100E-02	-0.1003412E-01	-0.9952798E-02	-0.1068175E-01
2	0.7348061E-02	0.6073560E-02	0.6466702E-02	0.4222923E-02
3	0.1022324	0.1060327	0.1041507	0.1099739

TABLE A.5 : IMPACT OF A BANK-RATE SHOCK ON RATE OF INFLATION, CONSUMER EXPENDITURE, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	0.3332550E-02	0.3332550E-02	0.3332550E-02	0.3332550E-02
3	0.7106923E-02	0.7107070E-02	0.7106922E-02	0.7106931E-02
4	0.4452317E-02	0.4785557E-02	0.4202327E-02	0.4368850E-02
5	0.1752677E-01	0.1776132E-01	0.1728985E-01	0.1720439E-01
6	0.1529086E-01	0.1590107E-01	0.1475576E-01	0.1490981E-01
7	0.2578697E-01	0.2666411E-01	0.2536105E-01	0.2588629E-01
8	0.3066866E-01	0.3134630E-01	0.3019259E-01	0.3046450E-01
9	0.6214563E-01	0.6145256E-01	0.6210425E-01	0.6122164E-01
10	0.3596420E-01	0.3726821E-01	0.3530568E-01	0.3637767E-01
11	0.5705525E-01	0.5723467E-01	0.5783372E-01	0.5871430E-01
12	0.5366229E-01	0.5289955E-01	0.5454952E-01	0.5440994E-01
		YEARLY AVERAGES		
1	0.4963930E-02	0.5075059E-02	0.4880600E-02	0.4936110E-02
2	0.2231831E-01	0.2291820E-01	0.2189981E-01	0.2211625E-01
3	0.5220684E-01	0.5221375E-01	0.5244830E-01	0.5268089E-01

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	0.3332550E-02	0.3332550E-02	0.3332550E-02
3	0.7021417E-02	0.7107009E-02	0.7106950E-02
4	0.4038427E-02	0.3952423E-02	0.4035882E-02
5	0.1705317E-01	0.1664830E-01	0.1737544E-01
6	0.1422066E-01	0.1383911E-01	0.1460181E-01
7	0.2493497E-01	0.2511012E-01	0.2491341E-01
8	0.2971616E-01	0.2943369E-01	0.2991904E-01
9	0.6191744E-01	0.6106740E-01	0.6269416E-01
10	0.3479289E-01	0.3520066E-01	0.3445341E-01
11	0.5867784E-01	0.6053801E-01	0.5695282E-01
12	0.5536054E-01	0.5596376E-01	0.5455084E-01
		YEARLY AVERAGES	
1	0.4797465E-02	0.4797327E-02	0.4825127E-02
2	0.2148124E-01	0.2125781E-01	0.2170243E-01
3	0.5268718E-01	0.5319246E-01	0.5216281E-01

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	0.3332550E-02	0.3332550E-02	0.3332550E-02	0.3332550E-02
3	0.7021530E-02	0.6936187E-02	0.6936136E-02	0.6851136E-02
4	0.3872069E-02	0.3624750E-02	0.3708279E-02	0.3294733E-02
5	0.1673392E-01	0.1617571E-01	0.1657872E-01	0.1553988E-01
6	0.1368554E-01	0.1260937E-01	0.1298915E-01	0.1161985E-01
7	0.2450873E-01	0.2433782E-01	0.2416156E-01	0.2348354E-01
8	0.2923938E-01	0.2848097E-01	0.2868735E-01	0.2729994E-01
9	0.6173067E-01	0.6084225E-01	0.6161833E-01	0.6054812E-01
10	0.3413616E-01	0.3402318E-01	0.3347822E-01	0.3277698E-01
11	0.5966081E-01	0.6242194E-01	0.6064042E-01	0.6478578E-01
12	0.5616484E-01	0.5762825E-01	0.5696233E-01	0.5925965E-01
		YEARLY AVERAGES		
1	0.4742050E-02	0.4631162E-02	0.4658988E-02	0.4492806E-02
2	0.2104189E-01	0.2040097E-01	0.2060419E-01	0.1948580E-01
3	0.5292312E-01	0.5372890E-01	0.5317483E-01	0.5434263E-01

TABLE A.6 : IMPACT OF A BANK-RATE SHOCK ON LABOUR SHARE, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.5190042E-04	-0.4578298E-04	-0.5222018E-04	-0.4635318E-04
3	-0.3007050E-03	-0.2630066E-03	-0.3027727E-03	-0.2666066E-03
4	-0.2684056E-03	-0.2259270E-03	-0.2714257E-03	-0.2310449E-03
5	-0.5233122E-03	-0.4497799E-03	-0.5291449E-03	-0.4597026E-03
6	-0.6344145E-03	-0.5390158E-03	-0.6412875E-03	-0.5505259E-03
7	-0.7503654E-03	-0.6365540E-03	-0.7592228E-03	-0.6513553E-03
8	-0.1496765E-03	-0.1000469E-03	-0.1560816E-03	-0.1102352E-03
9	-0.5648597E-03	-0.4798819E-03	-0.5769209E-03	-0.4998839E-03
10	-0.5412409E-03	-0.4487461E-03	-0.5536444E-03	-0.4688302E-03
11	-0.6725683E-03	-0.5595649E-03	-0.6895027E-03	-0.5869919E-03
12	0.3062356E-03	0.3078527E-03	0.2978619E-03	0.2960518E-03
		YEARLY AVERAGES		
1	-0.1552528E-03	-0.1336791E-03	-0.1566046E-03	-0.1360012E-03
2	-0.5144421E-03	-0.4313491E-03	-0.5214342E-03	-0.4429547E-03
3	-0.3681083E-03	-0.2950850E-03	-0.3805515E-03	-0.3149135E-03

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.5254080E-04	-0.4692649E-04	-0.5810230E-04
3	-0.3048462E-03	-0.2702270E-03	-0.3395924E-03
4	-0.2744664E-03	-0.2362331E-03	-0.3146268E-03
5	-0.5350151E-03	-0.4697533E-03	-0.6023636E-03
6	-0.6482069E-03	-0.5621936E-03	-0.7381842E-03
7	-0.7681636E-03	-0.6664389E-03	-0.8747502E-03
8	-0.1626459E-03	-0.1209508E-03	-0.2114775E-03
9	-0.5892324E-03	-0.5207180E-03	-0.6606226E-03
10	-0.5663893E-03	-0.4900277E-03	-0.6466617E-03
11	-0.7070622E-03	-0.6164280E-03	-0.8012721E-03
12	0.2886328E-03	0.2816109E-03	0.2882989E-03
		YEARLY AVERAGES	
1	-0.1579633E-03	-0.1383466E-03	-0.1780804E-03
2	-0.5285079E-03	-0.4548341E-03	-0.6066939E-03
3	-0.3935128E-03	-0.3363907E-03	-0.4550644E-03

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.5286229E-04	-0.4750291E-04	-0.5318464E-04	-0.4808245E-04
3	-0.3069256E-03	-0.2738675E-03	-0.3090107E-03	-0.2775280E-03
4	-0.2775276E-03	-0.2414911E-03	-0.2806093E-03	-0.2468182E-03
5	-0.5409223E-03	-0.4799296E-03	-0.5468663E-03	-0.4902294E-03
6	-0.6551723E-03	-0.5740165E-03	-0.6621831E-03	-0.5859920E-03
7	-0.7771875E-03	-0.6818032E-03	-0.7862941E-03	-0.6974464E-03
8	-0.1693715E-03	-0.1322078E-03	-0.1762604E-03	-0.1440213E-03
9	-0.6017981E-03	-0.5424099E-03	-0.6146222E-03	-0.5649920E-03
10	-0.5794889E-03	-0.5124275E-03	-0.5929601E-03	-0.5361771E-03
11	-0.7252995E-03	-0.6482221E-03	-0.7442887E-03	-0.6831180E-03
12	0.2784323E-03	0.2637608E-03	0.2670887E-03	0.2404884E-03
		YEARLY AVERAGES		
1	-0.1593289E-03	-0.1407154E-03	-0.1607012E-03	-0.1431072E-03
2	-0.5356634E-03	-0.4669893E-03	-0.5429010E-03	-0.4794223E-03
3	-0.4070385E-03	-0.3598247E-03	-0.4211956E-03	-0.3859497E-03

TABLE A.7 : IMPACT OF A BANK-RATE SHOCK ON PERSONAL INCOME TAX IN CURRENT DOLLARS, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-3.272266	-3.256877	-3.267388	-3.247012
3	-0.2340741	-0.1243190	-0.2029347	-0.6127688E-01
4	0.6902807	0.8696589	0.7306449	0.9501750
5	6.005393	6.173966	6.131734	6.424596
6	9.406546	9.608906	9.557404	9.911481
7	20.96075	21.09855	21.25992	21.69669
8	17.51906	17.57322	17.79591	18.11104
9	35.63635	34.99208	36.42462	36.51716
10	38.31753	37.62915	39.18380	39.32097
11	52.39566	51.11923	53.85603	53.91955
12	51.66518	49.88342	53.25960	52.89060
		YEARLY AVERAGES		
1	-0.7040148	-0.6278843	-0.6849194	-0.5895285
2	13.47294	13.61366	13.68624	14.03595
3	44.50368	43.40597	45.68101	45.66207

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-3.262502	-3.237115	-3.287758
3	-0.1717775	0.1852329E-02	-0.3460592
4	0.7708085	1.029865	0.5009777
5	6.258328	6.676258	5.817343
6	9.707833	10.21270	9.177067
7	21.56138	22.30395	20.79956
8	18.07597	18.65999	17.44095
9	37.22758	38.09885	36.28630
10	40.06734	41.08058	39.00743
11	55.37265	56.92994	53.78355
12	54.92124	56.14115	53.60482
		YEARLY AVERAGES	
1	-0.6658677	-0.5513494	-0.7832099
2	13.90088	14.46322	13.30873
3	46.89720	48.06263	45.67052

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-3.257607	-3.227187	-3.252705	-3.217232
3	-0.1406058	0.6504242E-01	-0.1094232	0.1282681
4	0.8107729	1.108739	0.8505401	1.186816
5	6.385161	6.928853	6.512222	7.182292
6	9.857810	10.51241	10.00732	10.81050
7	21.86520	22.92096	22.17148	23.54849
8	18.35939	19.22114	18.64634	19.79584
9	38.04568	39.74078	38.87943	41.44734
10	40.96904	42.91489	41.88996	44.83338
11	56.94964	60.18069	58.59181	63.71616
12	56.65600	59.67907	58.47161	63.59502
		YEARLY AVERAGES		
1	-0.6468600	-0.5133514	-0.6278970	-0.4755370
2	14.11689	14.89584	14.33434	15.33428
3	48.15509	50.62886	49.45820	53.39797

TABLE A.8 : IMPACT OF A BANK-RATE SHOCK ON LABOUR FORCE, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.1525759E-01	0.2406550E-01	-0.3535837E-01	-0.1658390E-01
3	-0.7211987E-01	0.1917958	-0.2211216	-0.1088178
4	0.9563860	1.239726	0.6515000	0.6267847
5	-1.933249	-1.185183	-2.613576	-2.518519
6	-3.485007	-1.937375	-4.474223	-3.855127
7	-3.233395	-0.9423297	-4.733343	-3.849440
8	0.5128263E-01	2.061870	-1.897471	-1.660288
9	-11.61959	-7.374407	-14.78839	-13.28350
10	-13.14453	-7.276347	-16.70937	-13.89112
11	-15.02834	-7.614587	-19.78478	-16.40772
12	-7.032060	-0.5998820	-12.30726	-10.17340
		YEARLY AVERAGES		
1	0.2172521	0.3638969	0.9875500E-01	0.1253457
2	-2.150092	-0.5007542	-3.429653	-2.970843
3	-11.70613	-5.716305	-15.89745	-13.43894

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.5586710E-01	-0.5886710E-01	-0.5232860E-01
3	-0.3730980	-0.4214113	-0.3256699
4	0.3395547	-0.1399314E-01	0.6607030
5	-3.310285	-3.915847	-2.686943
6	-5.486033	-5.863197	-5.045083
7	-6.281247	-6.947290	-5.597573
8	-3.926443	-5.689050	-2.210114
9	-18.09801	-19.72594	-16.34279
10	-20.43290	-21.11960	-19.60573
11	-24.82815	-26.29423	-23.33759
12	-17.97341	-21.18841	-14.79510
		YEARLY AVERAGES	
1	-0.2235261E-01	-0.1235679	0.7067613E-01
2	-4.751002	-5.603846	-3.884928
3	-20.33312	-22.08205	-18.52030

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.7677803E-01	-0.1027379	-0.9808510E-01	-0.1481456
3	-0.5279847	-0.7454947	-0.6857150	-1.080544
4	0.2068847E-01	-0.6815430	-0.3049526	-1.374700
5	-4.023083	-5.375030	-4.751660	-6.893603
6	-6.519860	-7.957603	-7.575090	-10.13376
7	-7.877020	-10.23575	-9.520530	-13.71374
8	-6.036163	-10.02819	-8.227027	-14.67929
9	-21.54965	-26.71218	-25.14419	-34.24843
10	-24.31625	-28.97439	-28.36022	-37.46453
11	-30.17021	-37.36587	-35.82343	-49.72853
12	-24.05094	-33.79683	-30.56183	-48.19127
		YEARLY AVERAGES		
1	-0.1460186	-0.3824439	-0.2721882	-0.6508475
2	-6.114032	-8.399142	-7.518577	-11.35510
3	-25.02176	-31.71232	-29.97242	-42.40819

TABLE A.9 : IMPACT OF A BANK-RATE SHOCK ON SPOT EXCHANGE RATE, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.4924068E-03	0.4924067E-03	0.4924069E-03	0.4924069E-03
2	0.1693424E-02	0.1693424E-02	0.1693424E-02	0.1693424E-02
3	0.3593561E-02	0.3593569E-02	0.3593560E-02	0.3593566E-02
4	0.6074715E-02	0.6074741E-02	0.6074712E-02	0.6074735E-02
5	0.8748961E-02	0.8749004E-02	0.8748973E-02	0.8749029E-02
6	0.1117293E-01	0.1117299E-01	0.1117298E-01	0.1117309E-01
7	0.1300226E-01	0.1300240E-01	0.1300235E-01	0.1300258E-01
8	0.1407434E-01	0.1407489E-01	0.1407428E-01	0.1407479E-01
9	0.1439927E-01	0.1440094E-01	0.1439873E-01	0.1439987E-01
10	0.1372487E-01	0.1372930E-01	0.1372299E-01	0.1372539E-01
11	0.1206487E-01	0.1207440E-01	0.1206042E-01	0.1206483E-01
12	0.9564633E-02	0.9581793E-02	0.9556564E-02	0.9563711E-02
		YEARLY AVERAGES		
1	0.2963527E-02	0.2963535E-02	0.2963526E-02	0.2963533E-02
2	0.1174962E-01	0.1174982E-01	0.1174965E-01	0.1174987E-01
3	0.1243841E-01	0.1244661E-01	0.1243468E-01	0.1243845E-01

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.4924070E-03	0.4924071E-03	0.4924069E-03
2	0.1693424E-02	0.1693425E-02	0.1693424E-02
3	0.3593559E-02	0.3593564E-02	0.3593553E-02
4	0.6074709E-02	0.6074729E-02	0.6074689E-02
5	0.8748985E-02	0.8749053E-02	0.8748917E-02
6	0.1117303E-01	0.1117319E-01	0.1117287E-01
7	0.1300243E-01	0.1300275E-01	0.1300211E-01
8	0.1407423E-01	0.1407471E-01	0.1407376E-01
9	0.1439825E-01	0.1439894E-01	0.1439757E-01
10	0.1372138E-01	0.1372222E-01	0.1372060E-01
11	0.1205686E-01	0.1205774E-01	0.1205616E-01
12	0.9550864E-02	0.9552066E-02	0.9550076E-02
		YEARLY AVERAGES	
1	0.2963525E-02	0.2963531E-02	0.2963518E-02
2	0.1174967E-01	0.1174993E-01	0.1174941E-01
3	0.1243184E-01	0.1243274E-01	0.1243110E-01

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.4924071E-03	0.4924073E-03	0.4924072E-03	0.4924075E-03
2	0.1693424E-02	0.1693425E-02	0.1693424E-02	0.1693425E-02
3	0.3593557E-02	0.3593562E-02	0.3593556E-02	0.3593560E-02
4	0.6074705E-02	0.6074723E-02	0.6074702E-02	0.6074717E-02
5	0.8748997E-02	0.8749078E-02	0.8749008E-02	0.8749102E-02
6	0.1117308E-01	0.1117329E-01	0.1117313E-01	0.1117339E-01
7	0.1300252E-01	0.1300293E-01	0.1300260E-01	0.1300312E-01
8	0.1407420E-01	0.1407467E-01	0.1407418E-01	0.1407474E-01
9	0.1439785E-01	0.1439840E-01	0.1439760E-01	0.1439889E-01
10	0.1372024E-01	0.1372136E-01	0.1371993E-01	0.1372877E-01
11	0.1205493E-01	0.1205886E-01	0.1205599E-01	0.1209304E-01
12	0.9549675E-02	0.9563998E-02	0.9557395E-02	0.9705529E-02
		YEARLY AVERAGES		
1	0.2963523E-02	0.2963529E-02	0.2963522E-02	0.2963527E-02
2	0.1174970E-01	0.1174999E-01	0.1174973E-01	0.1175009E-01
3	0.1243067E-01	0.1243565E-01	0.1243273E-01	0.1248156E-01

TABLE A.10: IMPACT OF A BANK-RATE SHOCK ON CONSUMER EXPENDITURE, TOTAL, 1973:4–1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-2.023468	-2.013747	-2.020815	-2.008342
3	25.04337	25.09497	25.09411	25.19727
4	32.61714	32.70855	32.73128	32.93615
5	55.52851	55.57819	55.81133	56.13808
6	75.93998	75.90575	76.36893	76.75259
7	103.5414	103.4141	104.2811	104.8718
8	118.2536	117.8849	119.2288	119.7949
9	145.1126	144.0741	146.6492	147.0641
10	161.5329	160.0445	163.3523	163.5755
11	195.2796	192.8750	197.9942	198.1138
12	213.4699	210.0480	216.8236	216.4738
		YEARLY AVERAGES		
1	13.90926	13.94744	13.95114	14.03127
2	88.31587	88.19573	88.92254	89.38934
3	178.8487	176.7604	181.2048	181.3068

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-2.018166	-2.002957	-2.033291
3	25.14490	25.29975	24.98973
4	32.84543	33.16381	32.51890
5	56.09463	56.69993	55.46549
6	76.79857	77.60241	75.96252
7	105.0244	106.3441	103.6534
8	120.2113	121.7329	118.6098
9	148.2047	150.1266	146.1666
10	165.1982	167.2091	163.0767
11	200.7674	203.5748	197.8275
12	220.2651	223.2273	217.1328
		YEARLY AVERAGES	
1	13.99304	14.11515	13.86883
2	89.53222	90.59483	88.42280
3	183.6088	186.0344	181.0509

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-2.015522	-1.997592	-2.012883	-1.992249
3	25.19572	25.40237	25.24658	25.50514
4	32.95960	33.39152	33.07378	33.61927
5	56.37840	57.26366	56.66263	57.82922
6	77.22888	78.45512	77.65986	79.31066
7	105.7713	107.8311	106.5220	109.3334
8	121.2012	123.7001	122.1987	125.6975
9	149.7794	153.2647	151.3738	156.4821
10	167.0714	170.9509	168.9726	174.8080
11	203.6017	209.2785	206.5004	215.2536
12	223.7996	230.3484	227.4339	237.9083
		YEARLY AVERAGES		
1	14.03495	14.19907	14.07687	14.28304
2	90.14494	91.81249	90.76080	93.04269
3	186.0630	190.9606	188.5702	196.1130

TABLE A.11: IMPACT OF A BANK-RATE SHOCK ON INVESTMENT, TOTAL, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	10.33052	10.28988	10.35775	10.34433
3	35.01614	34.67320	35.22171	35.07879
4	62.29165	61.30490	62.87815	62.45170
5	85.49138	83.80555	86.59850	85.95810
6	84.99937	83.16972	86.29386	85.67433
7	107.9329	105.1915	109.9544	109.0703
8	137.1278	133.1205	140.1063	138.8046
9	158.4154	153.4000	162.2591	160.7065
10	146.9291	141.9858	150.7883	149.2874
11	168.1700	161.3810	173.3598	171.0984
12	196.8211	187.2667	203.9421	200.4689
		YEARLY AVERAGES		
1	26.90958	26.56699	27.11440	26.96870
2	103.8879	101.3218	105.7383	104.8768
3	167.5839	161.0084	172.5873	170.3903

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	10.38503	10.39901	10.37113
3	35.42800	35.48724	35.36674
4	63.46817	63.61222	63.31823
5	87.71531	88.14816	87.27375
6	87.60310	88.23559	86.95382
7	112.0075	113.0692	110.8977
8	143.1436	144.7108	141.4965
9	166.1954	168.3610	163.9319
10	154.7597	157.0065	152.4118
11	178.7501	181.5487	175.8090
12	211.4087	214.9191	207.7209
		YEARLY AVERAGES	
1	27.32030	27.37462	27.26402
2	107.6174	108.5409	106.6554
3	177.7785	180.4588	174.9684

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	10.41238	10.45393	10.43978	10.50909
3	35.63503	35.89851	35.84277	36.31252
4	64.06168	64.78626	64.65867	65.97362
5	88.84175	90.37553	89.97782	92.63996
6	88.92711	90.85366	90.26591	93.52874
7	114.0926	117.1903	116.2098	121.4354
8	146.2405	150.8460	149.3981	157.2176
9	170.2266	176.3810	174.3552	184.7863
10	158.8483	165.1805	163.0601	173.8627
11	184.3571	192.8533	190.2024	205.2366
12	219.2593	230.9060	227.5484	249.1080
		YEARLY AVERAGES		
1	27.52727	27.78468	27.73531	28.19881
2	109.5255	112.3164	111.4629	116.2054
3	183.1728	191.3302	188.7915	203.2484

TABLE B.1 : IMPACT OF A BANK-RATE SHOCK ON GNP GAP, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	11.63977	11.38917	11.76999	11.65328
3	51.59461	50.74584	52.25816	52.08934
4	73.45947	71.44517	74.75981	74.00140
5	95.51623	92.01533	97.35342	95.58465
6	140.6431	134.9552	144.0063	141.4678
7	123.0376	118.1905	127.3399	126.4106
8	196.9319	185.9873	203.9883	199.1364
9	189.5989	177.5378	196.5283	190.3838
10	230.1915	214.7421	239.8542	232.5711
11	171.2273	159.8111	181.1054	177.8435
12	253.0597	231.4693	266.7364	255.7647
		YEARLY AVERAGES		
1	34.17346	33.39504	34.69699	34.43600
2	139.0322	132.7871	143.1720	140.6499
3	211.0193	195.8901	221.0561	214.1408

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	11.90178	11.92365	11.87961
3	52.92996	53.46519	52.45824
4	76.07638	76.62122	75.46549
5	99.21837	99.26504	99.08854
6	147.4508	148.3000	146.6071
7	131.7770	135.1423	128.5499
8	211.2984	213.2324	209.0426
9	203.7154	204.2037	203.0361
10	250.0034	252.2118	247.7585
11	191.5756	198.0277	185.1896
12	281.2927	283.1882	278.8407
		YEARLY AVERAGES	
1	35.22703	35.50251	34.95083
2	147.4361	148.9849	145.8220
3	231.6468	234.4078	228.7062

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	12.03511	12.20008	12.16994	12.48236
3	53.60983	54.87192	54.29757	56.30808
4	77.40882	79.30185	78.75673	82.04040
5	101.1106	103.0535	103.0297	106.9467
6	150.9772	155.4568	154.5860	162.9428
7	136.3507	144.3969	141.0622	154.1841
8	218.8671	228.3128	226.6992	244.4136
9	211.1652	219.0397	218.8829	234.9328
10	260.6616	273.8316	271.8522	297.6124
11	202.6674	220.5777	214.4116	245.7203
12	296.7824	314.1274	313.2621	349.0157
		YEARLY AVERAGES		
1	35.76344	36.59346	36.30606	37.70771
2	151.8264	157.8050	156.3443	167.1218
3	242.8191	256.8941	254.6022	281.8203

TABLE B.2 : IMPACT OF A BANK-RATE SHOCK ON GNP, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E-00	0.0000000E+00	0.0000000E-00
2	11.07875	11.01728	11.11055	11.08093
3	57.46820	57.13214	57.65441	57.50223
4	97.55222	96.75868	98.07760	97.79642
5	137.5852	136.3158	138.4818	138.0766
6	206.7900	204.3382	208.5403	207.7469
7	229.9889	226.3575	232.5459	231.2965
8	283.6953	278.5378	287.4040	285.6612
9	306.2744	300.2000	310.6323	308.5308
10	372.2471	363.9535	378.1425	375.1609
11	338.9849	330.1328	345.1337	341.7282
12	366.6874	355.9385	374.0878	369.7783
		YEARLY AVERAGES		
1	41.52479	41.22702	41.71064	41.59489
2	214.5148	211.3873	216.7430	215.6953
3	346.0484	337.5562	351.9991	348.7995

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	11.14239	11.14475	11.14013
3	57.84097	57.87372	57.80912
4	98.60452	98.84023	98.36952
5	139.3824	139.8529	138.9016
6	210.3031	211.2042	209.3669
7	235.1309	236.3429	233.8553
8	291.1657	292.9863	289.2536
9	315.0632	317.1389	312.8671
10	384.1578	386.8204	381.3278
11	351.4415	353.9180	348.7877
12	381.7207	384.4789	378.7641
		YEARLY AVERAGES	
1	41.89697	41.96467	41.82969
2	218.9955	220.0966	217.8443
3	358.0958	360.5890	355.4367

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	11.17426	11.20874	11.20618	11.27289
3	58.02788	58.24657	58.21512	58.62071
4	99.13293	99.88986	99.66281	100.9451
5	140.2869	141.6442	141.1952	143.4499
6	212.0785	214.7097	213.8663	218.2627
7	237.7439	241.4971	240.3851	246.7597
8	294.9807	300.5161	298.8494	308.2533
9	319.5680	326.0296	324.1472	335.2082
10	390.2949	398.9463	396.5557	411.5540
11	357.9124	366.7319	364.5505	380.2022
12	389.5941	400.0981	397.7161	416.6997
		YEARLY AVERAGES		
1	42.08377	42.33629	42.27103	42.70967
2	221.2725	224.5918	223.5740	229.1814
3	364.3423	372.9515	370.7424	385.9160

TABLE B.3 : IMPACT OF A BANK-RATE SHOCK ON EMPLOYMENT, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	0.4104563E-01	0.8873680E-01	0.9148687E-02	0.2361277E-01
3	1.747742	1.883287	1.580502	1.542491
4	4.809357	5.204073	4.503977	4.598130
5	11.21914	12.05768	10.80880	11.26069
6	21.14820	22.38975	20.53205	21.20354
7	33.60527	34.23170	32.93716	32.97718
8	38.42053	39.95077	37.39790	38.12073
9	50.26667	52.15837	49.49200	50.84607
10	65.40910	67.41247	64.61123	66.10720
11	76.95007	76.93070	76.44027	76.20103
12	77.40277	78.51847	76.61123	77.49937
		YEARLY AVERAGES		
1	1.649536	1.794024	1.523407	1.541059
2	26.09829	27.15747	25.41898	25.89053
3	67.50715	68.75500	66.78868	67.66342

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.2318509E-01	-0.4328343E-01	-0.2964538E-02
3	1.410816	1.192029	1.611394
4	4.193827	3.973160	4.431843
5	10.39018	10.42968	10.38843
6	19.89365	19.92798	19.86521
7	32.23262	31.58358	32.82034
8	36.31350	36.05900	36.61600
9	48.65653	49.30173	48.06443
10	63.70727	64.40363	62.98447
11	75.80483	75.02030	76.48250
12	75.64580	75.87930	75.47113
		YEARLY AVERAGES	
1	1.395364	1.280476	1.510068
2	24.70749	24.50006	24.92249
3	65.95361	66.15124	65.75063

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.5594240E-01	-0.1118456	-0.8910973E-01	-0.1819632
3	1.238781	0.8326483	1.064493	0.4651150
4	3.879127	3.330832	3.560110	2.672884
5	9.963580	9.566897	9.529347	8.674767
6	19.23317	18.56409	18.55079	17.11337
7	31.49167	30.05090	30.71436	28.38032
8	35.16690	33.76207	33.95790	31.22859
9	47.75983	47.51967	46.80150	45.49637
10	62.69237	62.26390	61.56160	59.64943
11	75.03653	73.33650	74.12810	71.09810
12	74.49443	73.57103	73.14483	70.48280
		YEARLY AVERAGES		
1	1.265491	1.012909	1.133873	0.7390089
2	23.96383	22.98599	23.18810	21.34926
3	64.99579	64.17277	63.90901	61.68167

TABLE B.4 : IMPACT OF A BANK-RATE SHOCK ON RATE OF INFLATION, GNP, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	0.5867058E-02	0.5926926E-02	0.5926926E-02	0.5926926E-02
3	-0.2589497E-02	-0.2239039E-02	-0.2826669E-02	-0.2649160E-02
4	-0.3334355E-01	-0.3263349E-01	-0.3414745E-01	-0.3417876E-01
5	-0.1044766E-01	-0.8780438E-02	-0.1133473E-01	-0.1060670E-01
6	0.1320125E-01	0.1544939E-01	0.1253405E-01	0.1439019E-01
7	0.1757446E-01	0.1962144E-01	0.1655726E-01	0.1740523E-01
8	0.1118087	0.1083266	0.1117682	0.1084344
9	0.1412590E-01	0.1796747E-01	0.1278055E-01	0.1583194E-01
10	0.1035974	0.1037238	0.1061646	0.1088066
11	0.1099258	0.1068133	0.1120879	0.1107578
12	0.2576884	0.2419852	0.2629768	0.2520696
		YEARLY AVERAGES		
1	-0.1002200E-01	-0.9648533E-02	-0.1034907E-01	-0.1030033E-01
2	0.3303418E-01	0.3365425E-01	0.3238119E-01	0.3240577E-01
3	0.1213344	0.1176224	0.1235025	0.1218665

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	0.5926926E-02	0.5867058E-02	0.5926926E-02
3	-0.3061505E-02	-0.3057404E-02	-0.3004478E-02
4	-0.3489688E-01	-0.3573124E-01	-0.3411897E-01
5	-0.1227884E-01	-0.1238022E-01	-0.1195156E-01
6	0.1197948E-01	0.1317395E-01	0.1078387E-01
7	0.1532406E-01	0.1509725E-01	0.1543451E-01
8	0.1116810	0.1084041	0.1146445
9	0.1144002E-01	0.1344411E-01	0.9903765E-02
10	0.1088828	0.1142333	0.1036806
11	0.1140802	0.1146342	0.1131019
12	0.2684728	0.2626797	0.2737543
		YEARLY AVERAGES	
1	-0.1067715E-01	-0.1097386E-01	-0.1039884E-01
2	0.3167642E-01	0.3107377E-01	0.3222783E-01
3	0.1257189	0.1262478	0.1251102

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	0.5867058E-02	0.5867058E-02	0.5926926E-02	0.5867058E-02
3	-0.3176821E-02	-0.3468953E-02	-0.3414567E-02	-0.3881415E-02
4	-0.3570484E-01	-0.3734822E-01	-0.3651494E-01	-0.3903022E-01
5	-0.1316836E-01	-0.1427034E-01	-0.1411516E-01	-0.1610921E-01
6	0.1126094E-01	0.1202263E-01	0.1065522E-01	0.1082468E-01
7	0.1426047E-01	0.1263933E-01	0.1292672E-01	0.9923369E-02
8	0.1115482	0.1082909	0.1115251	0.1081493
9	0.9892380E-02	0.1085725E-01	0.8348417E-02	0.8023628E-02
10	0.1117525	0.1200570	0.1146703	0.1263871
11	0.1161033	0.1181319	0.1181073	0.1214534
12	0.2740313	0.2739796	0.2796963	0.2858467
		YEARLY AVERAGES		
1	-0.1100487E-01	-0.1165004E-01	-0.1133419E-01	-0.1234819E-01
2	0.3097531E-01	0.2967063E-01	0.3024797E-01	0.2819703E-01
3	0.1279449	0.1307564	0.1302056	0.1354277

TABLE B.5 : IMPACT OF A BANK-RATE SHOCK ON RATE OF INFLATION, CONSUMER EXPENDITURE, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	0.3793334E-02	0.3857628E-02	0.3857628E-02	0.3793334E-02
3	0.6611223E-02	0.6670211E-02	0.6484748E-02	0.6610827E-02
4	0.3884363E-02	0.4065478E-02	0.3702562E-02	0.3701931E-02
5	0.1052912E-01	0.1099927E-01	0.1023691E-01	0.1035429E-01
6	0.1749491E-01	0.1829478E-01	0.1715773E-01	0.1767966E-01
7	0.2205174E-01	0.2293133E-01	0.2150070E-01	0.2200022E-01
8	0.4695962E-01	0.4685060E-01	0.4668393E-01	0.4624109E-01
9	0.3375099E-01	0.3495544E-01	0.3316660E-01	0.3389435E-01
10	0.5694641E-01	0.5736280E-01	0.5715363E-01	0.5793730E-01
11	0.6119649E-01	0.6113145E-01	0.6156857E-01	0.6187678E-01
12	0.1042105	0.1007212	0.1055696	0.1034321
		YEARLY AVERAGES		
1	0.4762973E-02	0.4864439E-02	0.4681646E-02	0.4702031E-02
2	0.2425885E-01	0.2476900E-01	0.2389482E-01	0.2406881E-01
3	0.6402609E-01	0.6354273E-01	0.6436460E-01	0.6428513E-01

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	0.3793334E-02	0.3793334E-02	0.3857628E-02
3	0.6550285E-02	0.6549834E-02	0.6486166E-02
4	0.3519917E-02	0.3215520E-02	0.3641271E-02
5	0.9822814E-02	0.9771274E-02	0.1005950E-01
6	0.1682210E-01	0.1700654E-01	0.1663760E-01
7	0.2100870E-01	0.2101417E-01	0.2111773E-01
8	0.4635332E-01	0.4557994E-01	0.4695796E-01
9	0.3258376E-01	0.3278236E-01	0.3249545E-01
10	0.5741487E-01	0.5851221E-01	0.5631498E-01
11	0.6188447E-01	0.6256157E-01	0.6125685E-01
12	0.1070209	0.1062591	0.1076282
		YEARLY AVERAGES	
1	0.4621178E-02	0.4519563E-02	0.4661688E-02
2	0.2350173E-01	0.2334298E-01	0.2369320E-01
3	0.6472599E-01	0.6502880E-01	0.6442387E-01

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	0.3793334E-02	0.3857628E-02	0.3857628E-02	0.3793334E-02
3	0.6551293E-02	0.6361646E-02	0.6362146E-02	0.6302792E-02
4	0.3215158E-02	0.2852022E-02	0.3095309E-02	0.2427399E-02
5	0.9592445E-02	0.9126593E-02	0.9240147E-02	0.8543654E-02
6	0.1648523E-01	0.1633398E-01	0.1614987E-01	0.1560309E-01
7	0.2051537E-01	0.1997157E-01	0.2002377E-01	0.1893122E-01
8	0.4596708E-01	0.4492268E-01	0.4563829E-01	0.4421373E-01
9	0.3189085E-01	0.3156207E-01	0.3119816E-01	0.3023541E-01
10	0.5767784E-01	0.5914145E-01	0.5799391E-01	0.5982747E-01
11	0.6225274E-01	0.6313154E-01	0.6251110E-01	0.6364267E-01
12	0.1084623	0.1091501	0.1099448	0.1122573
		YEARLY AVERAGES		
1	0.4519928E-02	0.4357099E-02	0.4438361E-02	0.4174508E-02
2	0.2314003E-01	0.2258871E-01	0.2276302E-01	0.2182292E-01
3	0.6507094E-01	0.6574630E-01	0.6541200E-01	0.6649072E-01

TABLE B.6 : IMPACT OF A BANK-RATE SHOCK ON LABOUR SHARE, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.7490185E-04	-0.6574527E-04	-0.7530530E-04	-0.6646363E-04
3	-0.2724507E-03	-0.2366639E-03	-0.2743132E-03	-0.2399024E-03
4	-0.4113405E-03	-0.3532546E-03	-0.4146018E-03	-0.3588456E-03
5	-0.5372560E-03	-0.4576432E-03	-0.5416661E-03	-0.4650999E-03
6	-0.6744391E-03	-0.5733517E-03	-0.6807428E-03	-0.5839611E-03
7	-0.2125368E-03	-0.1585242E-03	-0.2180820E-03	-0.1675035E-03
8	-0.5389479E-03	-0.4559889E-03	-0.5485983E-03	-0.4720302E-03
9	-0.4989237E-03	-0.4125032E-03	-0.5086863E-03	-0.4283605E-03
10	-0.6132700E-03	-0.5114199E-03	-0.6254314E-03	-0.5311789E-03
11	0.2685785E-03	0.2654457E-03	0.2650467E-03	0.2609437E-03
12	-0.1852895E-03	-0.1508446E-03	-0.1973372E-03	-0.1699084E-03
		YEARLY AVERAGES		
1	-0.1896733E-03	-0.1639159E-03	-0.1910551E-03	-0.1663029E-03
2	-0.4907949E-03	-0.4113770E-03	-0.4972723E-03	-0.4221487E-03
3	-0.2572262E-03	-0.2023305E-03	-0.2666020E-03	-0.2171260E-03

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.7570963E-04	-0.6718520E-04	-0.8426055E-04
3	-0.2761796E-03	-0.2431545E-03	-0.3098364E-03
4	-0.4178718E-03	-0.3644665E-03	-0.4732822E-03
5	-0.5460875E-03	-0.4725962E-03	-0.6233386E-03
6	-0.6870801E-03	-0.5946854E-03	-0.7844041E-03
7	-0.2237196E-03	-0.1767924E-03	-0.2775313E-03
8	-0.5583921E-03	-0.4885519E-03	-0.6323822E-03
9	-0.5186317E-03	-0.4448233E-03	-0.5976491E-03
10	-0.6378762E-03	-0.5518711E-03	-0.7288831E-03
11	0.2611955E-03	0.2554386E-03	0.2596149E-03
12	-0.2099914E-03	-0.1909185E-03	-0.2303724E-03
	YEARLY AVERAGES		
1	-0.1924403E-03	-0.1687015E-03	-0.2168448E-03
2	-0.5038198E-03	-0.4331565E-03	-0.5794140E-03
3	-0.2763259E-03	-0.2330436E-03	-0.3243224E-03

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.7611486E-04	-0.6790998E-04	-0.7652098E-04	-0.6863798E-04
3	-0.2780498E-03	-0.2464202E-03	-0.2799239E-03	-0.2496993E-03
4	-0.4211501E-03	-0.3701159E-03	-0.4244366E-03	-0.3757926E-03
5	-0.5505199E-03	-0.4801301E-03	-0.5549630E-03	-0.4876997E-03
6	-0.6934504E-03	-0.6055225E-03	-0.6998534E-03	-0.6164701E-03
7	-0.2294499E-03	-0.1863935E-03	-0.2352732E-03	-0.1963094E-03
8	-0.5683296E-03	-0.5055564E-03	-0.5784110E-03	-0.5230463E-03
9	-0.5287606E-03	-0.4618959E-03	-0.5390734E-03	-0.4795825E-03
10	-0.6506076E-03	-0.5735195E-03	-0.6636294E-03	-0.5961487E-03
11	0.2570125E-03	0.2488493E-03	0.2524847E-03	0.2410884E-03
12	-0.2232756E-03	-0.2140279E-03	-0.2372149E-03	-0.2394047E-03
		YEARLY AVERAGES		
1	-0.1938287E-03	-0.1711115E-03	-0.1952204E-03	-0.1735325E-03
2	-0.5104374E-03	-0.4444006E-03	-0.5171251E-03	-0.4558814E-03
3	-0.2864078E-03	-0.2501485E-03	-0.2968582E-03	-0.2685119E-03

TABLE B.7 : IMPACT OF A BANK-RATE SHOCK ON PERSONAL INCOME TAX IN CURRENT DOLLARS, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-6.738718	-6.702651	-6.728524	-6.681982
3	-1.813232	-1.616947	-1.771715	-1.533438
4	0.3513728	0.5830277	0.4247495	0.7286388
5	4.521340	4.814281	4.631581	5.036226
6	17.37210	17.64027	17.60902	18.11755
7	15.13362	15.37529	15.35821	15.81790
8	31.11612	30.65243	31.77255	31.92852
9	34.93473	34.36917	35.67759	35.82928
10	45.90446	44.67826	47.14471	47.07446
11	48.46611	46.85626	49.81354	49.43040
12	67.30475	63.64280	69.70302	68.11967
		YEARLY AVERAGES		
1	-2.050144	-1.934143	-2.018872	-1.871695
2	17.03579	17.12057	17.34284	17.72505
3	49.15251	47.38662	50.58471	50.11345

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-6.718327	-6.661306	-6.775254
3	-1.730359	-1.450563	-2.013574
4	0.4976915	0.8725593	0.1005414
5	4.741088	5.255470	4.200476
6	17.84627	18.59621	17.07021
7	15.58261	16.25871	14.84980
8	32.43644	33.23351	31.56045
9	36.42855	37.32234	35.47322
10	48.41751	49.59379	47.20452
11	51.19641	52.13486	50.16884
12	72.18861	72.91888	71.34652
		YEARLY AVERAGES	
1	-1.987749	-1.809827	-2.172072
2	17.65160	18.33597	16.92023
3	52.05777	52.99247	51.04828

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-6.708130	-6.640630	-6.697932	-6.619959
3	-1.689163	-1.368328	-1.648130	-1.286735
4	0.5701911	1.014733	0.6422413	1.155115
5	4.849859	5.471991	4.957891	5.685792
6	18.08389	19.07645	18.32190	19.55851
7	15.80685	16.69802	16.03100	17.13627
8	33.10793	34.56850	33.78718	35.93492
9	37.18781	38.85012	37.95565	40.41501
10	49.72430	52.24662	51.06667	55.04517
11	52.61604	54.97875	54.07389	57.97321
12	74.76598	78.07329	77.44002	83.62217
		YEARLY AVERAGES		
1	-1.956775	-1.748556	-1.925955	-1.687895
2	17.96213	18.95374	18.27449	19.57887
3	53.57353	56.03720	55.13406	59.26389

TABLE B.8 : IMPACT OF A BANK-RATE SHOCK ON LABOUR FORCE, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.4123213	-0.3548873	-0.4503480	-0.4324737
3	-1.015751	-0.8320000	-1.224635	-1.257228
4	-2.242051	-1.690591	-2.671790	-2.545522
5	-1.638082	-0.4183127	-2.306428	-1.726289
6	0.4842867	2.489750	-0.6111417	0.3629793
7	5.224020	7.019023	3.777593	4.250907
8	0.8724340	4.184043	-1.360882	0.3070990E-01
9	3.809210	8.274003	1.346583	3.758593
10	9.714487	15.26541	6.666150	9.731137
11	15.01810	19.31386	11.69350	13.34051
12	9.426370	15.78616	5.161540	8.378543
		YEARLY AVERAGES		
1	-0.9175309	-0.7193697	-1.086693	-1.058806
2	1.235665	3.318626	-0.1252146	0.7295766
3	9.492042	14.65986	6.216944	8.802197

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.4888787	-0.5121067	-0.4655150
3	-1.436445	-1.694028	-1.199835
4	-3.107735	-3.425190	-2.774269
5	-2.986309	-3.081363	-2.848104
6	-1.736700	-1.884771	-1.572198
7	2.278288	1.278896	3.222440
8	-3.687587	-4.476347	-2.835604
9	-1.226898	-1.181136	-1.187569
10	3.433023	3.498257	3.383357
11	8.127067	6.478207	9.706420
12	0.5551913	-0.2513237	1.472978
		YEARLY AVERAGES	
1	-1.258265	-1.407831	-1.109905
2	-1.533077	-2.040896	-1.008367
3	2.722096	2.136001	3.343796

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.5278990	-0.5936633	-0.5673927	-0.6770173
3	-1.651066	-2.141514	-1.868383	-2.598779
4	-3.549603	-4.327470	-3.997103	-5.250167
5	-3.677280	-4.480340	-4.378877	-5.919810
6	-2.892045	-4.251180	-4.076790	-6.733280
7	0.7262943	-1.895564	-0.8780913	-5.269487
8	-6.107900	-9.339680	-8.621847	-14.55904
9	-3.911710	-6.551347	-6.708083	-12.35476
10	0.9366417E-02	-3.478453	-3.610527	-11.24357
11	4.309087	-1.344398	0.2299633	-10.19670
12	-4.409997	-10.23057	-9.751543	-21.69031
		YEARLY AVERAGES		
1	-1.432142	-1.765662	-1.608220	-2.131491
2	-2.987733	-4.991691	-4.488901	-8.120404
3	-1.000813	-5.401193	-4.960047	-13.87133

TABLE B.9 : IMPACT OF A BANK-RATE SHOCK ON SPOT EXCHANGE RATE, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.5726862E-03	0.5726857E-03	0.5726864E-03	0.5726861E-03
2	0.1941859E-02	0.1941859E-02	0.1941860E-02	0.1941860E-02
3	0.3951930E-02	0.3951938E-02	0.3951932E-02	0.3951943E-02
4	0.6368821E-02	0.6368841E-02	0.6368830E-02	0.6368859E-02
5	0.8810518E-02	0.8810535E-02	0.8810547E-02	0.8810592E-02
6	0.1102344E-01	0.1102351E-01	0.1102351E-01	0.1102363E-01
7	0.1286782E-01	0.1286826E-01	0.1286785E-01	0.1286832E-01
8	0.1441934E-01	0.1442099E-01	0.1441919E-01	0.1442071E-01
9	0.1577791E-01	0.1578254E-01	0.1577710E-01	0.1578112E-01
10	0.1661807E-01	0.1662837E-01	0.1661584E-01	0.1662463E-01
11	0.1687545E-01	0.1689431E-01	0.1687120E-01	0.1688771E-01
12	0.1693554E-01	0.1696220E-01	0.1693109E-01	0.1695745E-01
		YEARLY AVERAGES		
1	0.3208824E-02	0.3208831E-02	0.3208827E-02	0.3208837E-02
2	0.1178028E-01	0.1178082E-01	0.1178027E-01	0.1178081E-01
3	0.1655174E-01	0.1656685E-01	0.1654881E-01	0.1656273E-01

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.5726866E-03	0.5726864E-03	0.5726868E-03
2	0.1941860E-02	0.1941862E-02	0.1941859E-02
3	0.3951935E-02	0.3951948E-02	0.3951921E-02
4	0.6368839E-02	0.6368877E-02	0.6368800E-02
5	0.8810576E-02	0.8810650E-02	0.8810500E-02
6	0.1102357E-01	0.1102375E-01	0.1102338E-01
7	0.1286789E-01	0.1286838E-01	0.1286738E-01
8	0.1441903E-01	0.1442041E-01	0.1441762E-01
9	0.1577624E-01	0.1577947E-01	0.1577292E-01
10	0.1661341E-01	0.1662005E-01	0.1660654E-01
11	0.1686635E-01	0.1687880E-01	0.1685340E-01
12	0.1692523E-01	0.1694741E-01	0.1690206E-01
		YEARLY AVERAGES	
1	0.3208830E-02	0.3208843E-02	0.3208817E-02
2	0.1178027E-01	0.1178080E-01	0.1177972E-01
3	0.1654531E-01	0.1655643E-01	0.1653373E-01

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.5726868E-03	0.5726868E-03	0.5726870E-03	0.5726872E-03
2	0.1941861E-02	0.1941864E-02	0.1941862E-02	0.1941865E-02
3	0.3951937E-02	0.3951953E-02	0.3951939E-02	0.3951957E-02
4	0.6368848E-02	0.6368895E-02	0.6368857E-02	0.6368913E-02
5	0.8810605E-02	0.8810710E-02	0.8810635E-02	0.8810770E-02
6	0.1102363E-01	0.1102388E-01	0.1102370E-01	0.1102402E-01
7	0.1286792E-01	0.1286846E-01	0.1286796E-01	0.1286855E-01
8	0.1441887E-01	0.1442008E-01	0.1441870E-01	0.1441974E-01
9	0.1577532E-01	0.1577761E-01	0.1577435E-01	0.1577556E-01
10	0.1661077E-01	0.1661467E-01	0.1660792E-01	0.1660849E-01
11	0.1686090E-01	0.1686756E-01	0.1685484E-01	0.1685394E-01
12	0.1691795E-01	0.1693186E-01	0.1690921E-01	0.1691057E-01
		YEARLY AVERAGES		
1	0.3208833E-02	0.3208850E-02	0.3208836E-02	0.3208856E-02
2	0.1178026E-01	0.1178078E-01	0.1178025E-01	0.1178077E-01
3	0.1654123E-01	0.1654792E-01	0.1653658E-01	0.1653714E-01

TABLE B.10: IMPACT OF A BANK-RATE SHOCK ON CONSUMER EXPENDITURE, TOTAL, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-3.732268	-3.711044	-3.727610	-3.701474
3	32.22733	32.26127	32.28346	32.37423
4	40.26986	40.33961	40.40895	40.61692
5	60.80048	60.81718	61.04609	61.30483
6	79.81629	79.78983	80.27313	80.69433
7	100.4152	100.2035	101.0669	101.4860
8	124.8928	124.1330	125.9708	126.2386
9	145.3838	144.1467	146.7326	146.7725
10	177.8377	175.7539	179.8817	179.7115
11	200.0614	197.0803	202.6144	201.9952
12	226.3040	221.6626	229.7638	228.2557
		YEARLY AVERAGES		
1	17.19123	17.22246	17.24120	17.32242
2	91.48119	91.23588	92.08923	92.43094
3	187.3967	184.6609	189.7481	189.1837

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-3.722968	-3.691973	-3.753938
3	32.33954	32.48699	32.19031
4	40.54783	40.89343	40.19027
5	61.29125	61.79084	60.77297
6	80.73043	81.60083	79.82490
7	101.7203	102.7752	100.6071
8	127.0564	128.3733	125.6506
9	148.0934	149.4451	146.6560
10	181.9542	183.7786	180.0262
11	205.2100	207.0713	203.2199
12	233.2995	235.1330	231.3089
		YEARLY AVERAGES	
1	17.29110	17.42211	17.15666
2	92.69959	93.63504	91.71389
3	192.1393	193.8570	190.3027

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-3.718345	-3.682544	-3.713739	-3.673189
3	32.39557	32.59955	32.45154	32.71190
4	40.68650	41.16911	40.82495	41.44391
5	61.53595	62.27516	61.78019	62.75776
6	81.18820	82.50935	81.64645	83.41998
7	102.3756	104.0713	103.0326	105.3745
8	128.1496	130.5377	129.2505	132.7328
9	149.4662	152.1656	150.8514	154.9356
10	184.0559	187.9602	186.1876	192.2621
11	207.8492	212.3161	210.5332	217.7388
12	236.9134	242.3129	240.6083	249.8166
		YEARLY AVERAGES		
1	17.34093	17.52153	17.39069	17.62066
2	93.31234	94.84838	93.92743	96.07126
3	194.5712	198.6887	197.0451	203.6883

TABLE B.11: IMPACT OF A BANK-RATE SHOCK ON INVESTMENT, TOTAL, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	17.31806	17.20961	17.35908	17.29147
3	39.76526	39.30152	39.95850	39.68356
4	62.24473	61.24611	62.74464	62.22752
5	66.39996	65.12359	67.10358	66.49440
6	88.83377	86.59152	90.13788	89.10292
7	113.4286	109.9731	115.4783	113.8907
8	128.6316	124.2856	131.3243	129.4056
9	116.0473	111.9694	118.6607	116.9190
10	122.8340	117.9055	126.0315	123.9124
11	132.2818	126.1069	136.2732	133.5463
12	134.1763	127.1099	138.7952	135.6572
		YEARLY AVERAGES		
1	29.83201	29.43931	30.01555	29.80064
2	99.32348	96.49345	101.0110	99.72340
3	126.3348	120.7729	129.9401	127.5087

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	17.40018	17.37365	17.42665
3	40.15218	40.06732	40.23915
4	63.24628	63.21575	63.28448
5	67.81137	67.88142	67.74650
6	91.45545	91.66569	91.23933
7	117.5576	117.9210	117.1779
8	134.0671	134.7148	133.3977
9	121.3312	122.0819	120.5522
10	129.3163	130.2433	128.3398
11	140.3972	141.4738	139.2542
12	143.5969	144.8726	142.2515
		YEARLY AVERAGES	
1	30.19966	30.16418	30.23757
2	102.7229	103.0457	102.3904
3	133.6604	134.6679	132.5994

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	17.44137	17.45614	17.48263	17.53895
3	40.34627	40.45272	40.54078	40.83969
4	63.74961	64.21055	64.25461	65.21166
5	68.52331	69.28434	69.23935	70.70284
6	92.78643	94.27971	94.13083	96.94487
7	119.6668	122.0654	121.8060	126.3251
8	136.8607	140.2177	139.7056	145.9192
9	124.0596	127.4658	126.8471	133.0784
10	132.6909	136.9153	136.1575	143.9466
11	144.6584	149.9241	149.0620	158.9353
12	148.5898	154.8166	153.7828	165.5570
		YEARLY AVERAGES		
1	30.38431	30.52985	30.56950	30.89757
2	104.4593	106.4618	106.2204	109.9730
3	137.4997	142.2804	141.4623	150.3793

TABLE C.1 : IMPACT OF A BANK-RATE SHOCK ON GNP GAP, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	7.651531	7.514699	7.754277	7.723460
3	67.86038	66.57521	68.65706	68.17725
4	62.24235	60.39338	63.12670	62.14295
5	129.5918	125.3727	131.8881	129.8724
6	142.7151	138.7946	146.1248	145.4368
7	224.0090	214.8854	229.7018	225.6783
8	253.7178	241.0948	260.0901	253.0884
9	316.2703	300.2985	325.6285	317.9564
10	257.0449	245.6726	267.2258	264.6891
11	389.8152	365.2586	404.2265	391.4117
12	339.5520	315.1413	352.3835	338.2845
		YEARLY AVERAGES		
1	34.43857	33.62082	34.88451	34.51091
2	187.5084	180.0369	191.9512	188.5190
3	325.6706	306.5927	337.3661	328.0854

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	7.858466	7.937938	7.787470
3	69.46344	69.81736	69.08978
4	64.01945	63.92705	64.05675
5	134.2306	134.5557	133.8977
6	149.6144	152.3871	147.0264
7	235.5447	237.0378	233.7474
8	266.6388	265.7589	267.2417
9	335.3265	336.9108	333.7095
10	277.8236	285.2431	270.5836
11	419.2859	419.9043	417.9645
12	365.8359	363.6977	367.7352
		YEARLY AVERAGES	
1	35.33534	35.42059	35.23350
2	196.5071	197.4349	195.4783
3	349.5680	351.4390	347.4982

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000Q00E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	7.964079	8.157993	8.071099	8.383473
3	70.27926	71.49370	71.10427	73.20435
4	64.92023	65.74299	65.82865	67.58802
5	136.6193	139.4235	139.0544	144.4762
6	153.1837	159.6443	156.8325	167.2059
7	241.5384	248.9710	247.6838	261.4836
8	273.3652	279.1204	280.2707	293.1853
9	345.3735	357.2320	355.7787	378.9924
10	288.8494	307.4159	300.3148	331.2876
11	435.0186	450.9208	451.4505	484.6590
12	379.9367	391.5894	394.7143	422.1869
		YEARLY AVERAGES		
1	35.79089	36.34867	36.25100	37.29396
2	201.1766	206.7898	205.9603	216.5877
3	362.2945	376.7895	375.5646	404.2815

TABLE C.2 : IMPACT OF A BANK-RATE SHOCK ON GNP, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	7.709959	7.666240	7.737510	7.721497
3	70.54803	70.34585	70.73111	70.71111
4	99.84452	99.44014	100.2459	100.2360
5	184.1200	182.9899	185.1116	184.9371
6	241.7079	239.5829	243.3858	242.8517
7	329.5811	326.2663	332.2145	331.3727
8	401.6888	397.3391	405.0803	403.8891
9	505.1309	498.9516	509.8780	508.0773
10	483.7451	476.7366	488.8994	486.5806
11	551.1394	542.3012	557.5691	554.4942
12	558.4535	548.5945	565.3633	561.5995
		YEARLY AVERAGES		
1	44.52563	44.36306	44.67863	44.66715
2	289.2744	286.5445	291.4480	290.7626
3	524.6172	516.6460	530.4274	527.6879

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	7.765074	7.776809	7.753426
3	70.91440	71.07724	70.75288
4	100.6483	101.0357	100.2541
5	186.1072	186.8998	185.2853
6	245.0750	246.1646	243.9281
7	334.8716	336.5704	333.0894
8	408.5075	410.5764	406.3236
9	514.6866	517.4389	511.7562
10	494.1397	496.7516	491.3247
11	564.1300	567.1815	560.8455
12	572.4356	575.2124	569.4073
		YEARLY AVERAGES	
1	44.83194	44.97244	44.69010
2	293.6403	295.0528	292.1566
3	536.3480	539.1461	533.3334

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	7.792653	7.832176	7.820245	7.887597
3	71.09791	71.44419	71.28163	71.81189
4	101.0516	101.8390	101.4559	102.6457
5	187.1068	188.8775	188.1101	190.8697
6	246.7757	249.5213	248.4876	252.9214
7	337.5524	341.8595	340.2569	347.2396
8	411.9703	417.4010	415.4688	424.3628
9	519.5571	527.0387	524.4896	536.8787
10	499.4669	507.2565	504.8819	518.1022
11	570.8245	580.3791	577.6547	594.1039
12	579.6738	589.4577	587.0811	604.3611
		YEARLY AVERAGES		
1	44.98554	45.27884	45.13944	45.58630
2	295.8513	299.4148	298.0808	303.8484
3	542.3806	551.0330	548.5268	563.3615

TABLE C.3 : IMPACT OF A BANK-RATE SHOCK ON EMPLOYMENT, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	0.1636019	0.1849036	0.1396976	0.1360660
3	1.617375	1.912773	1.407447	1.488860
4	7.675420	8.253350	7.422397	7.749590
5	16.56534	17.68268	16.06030	16.69295
6	28.57167	29.37531	27.87643	28.02580
7	37.09690	38.85063	36.00800	36.81293
8	53.90457	56.78957	52.79227	54.76410
9	71.94320	75.39607	70.52460	72.80137
10	87.22490	88.42263	85.89100	86.03297
11	92.21907	95.25643	90.44667	92.29683
12	115.2423	118.5817	114.3178	117.2934
		YEARLY AVERAGES		
1	2.364099	2.587757	2.242385	2.343629
2	34.03462	35.67455	33.18425	34.07394
3	91.65737	94.41420	90.29502	92.10614

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	0.1153506	0.8546590E-01	0.1425910
3	1.194534	1.053096	1.341896
4	7.165613	7.230260	7.123643
5	15.54099	15.64561	15.44057
6	27.15664	26.58077	27.66236
7	34.87803	34.61847	35.18243
8	51.63150	52.54970	50.80473
9	69.02140	69.87823	68.15970
10	84.45883	83.28113	85.49687
11	88.53367	88.83753	88.30633
12	113.2674	115.5535	111.0180
		YEARLY AVERAGES	
1	2.118875	2.092205	2.152033
2	32.30179	32.34864	32.27252
3	88.82033	89.38761	88.24522

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	0.9057020E-01	0.3317824E-01	0.6536583E-01	-0.2071716E-01
3	0.9787647	0.6064490	0.7602657	0.1499152
4	6.905263	6.696827	6.641550	6.150787
5	15.00758	14.54178	14.46025	13.38282
6	26.41261	25.04260	25.64470	23.41443
7	33.70743	32.27000	32.49668	29.77146
8	50.42250	50.14697	49.16570	47.55797
9	67.43203	66.61347	65.75503	62.99527
10	82.92627	80.15207	81.29143	76.63367
11	86.47533	84.84210	84.26687	80.27513
12	112.0846	113.3101	110.7629	110.5092
		YEARLY AVERAGES		
1	1.993650	1.834113	1.866795	1.569996
2	31.38753	30.50034	30.44183	28.53167
3	87.22957	86.22943	85.51907	82.60332

TABLE C.4 : IMPACT OF A BANK-RATE SHOCK ON RATE OF INFLATION, GNP, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	0.9285156E-02	0.9285156E-02	0.9285156E-02	0.9285156E-02
3	0.1073345E-01	0.1090117E-01	0.1065032E-01	0.1064858E-01
4	-0.4804786E-01	-0.4657126E-01	-0.4909136E-01	-0.4852453E-01
5	0.3384394E-01	0.3525304E-01	0.3351468E-01	0.3454772E-01
6	0.6462582E-02	0.9107874E-02	0.5158428E-02	0.6498209E-02
7	0.8367436E-01	0.8226636E-01	0.8269287E-01	0.8049183E-01
8	0.3116940E-02	0.7246121E-02	0.1341530E-02	0.4122541E-02
9	0.6099624E-01	0.6596741E-01	0.6132379E-01	0.6671693E-01
10	0.1061869	0.1056389	0.1062645	0.1056664
11	0.2879267	0.2733955	0.2910377	0.2794288
12	0.4456835E-01	0.4938115E-01	0.4506965E-01	0.5144796E-01
		YEARLY AVERAGES		
1	-0.9343084E-02	-0.8794981E-02	-0.9718626E-02	-0.9530264E-02
2	0.3177445E-01	0.3346835E-01	0.3067688E-01	0.3141507E-01
3	0.1249196	0.1235958	0.1259239	0.1258150

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	0.9285156E-02	0.9285156E-02	0.9285156E-02
3	0.1048175E-01	0.1035449E-01	0.1060930E-01
4	-0.5000625E-01	-0.5053043E-01	-0.4952784E-01
5	0.3314417E-01	0.3393777E-01	0.3252097E-01
6	0.3772123E-02	0.3725337E-02	0.3690183E-02
7	0.8171407E-01	0.7856800E-01	0.8462302E-01
8	-0.4730349E-03	0.8016405E-03	-0.1228284E-02
9	0.6169380E-01	0.6755808E-01	0.5605845E-01
10	0.1062631	0.1055333	0.1065937
11	0.2942277	0.2857823	0.3019551
12	0.4562024E-01	0.5355349E-01	0.3875162E-01
		YEARLY AVERAGES	
1	-0.1007978E-01	-0.1029693E-01	-0.9877796E-02
2	0.2953933E-01	0.2925819E-01	0.2990147E-01
3	0.1269512	0.1281068	0.1258397

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	0.9285156E-02	0.9285156E-02	0.9285156E-02	0.9239863E-02
3	0.1031351E-01	0.1006164E-01	0.1023142E-01	0.9769635E-02
4	-0.5096711E-01	-0.5254759E-01	-0.5206221E-01	-0.5461921E-01
5	0.3281919E-01	0.3329416E-01	0.3253983E-01	0.3270384E-01
6	0.2344839E-02	0.8317400E-03	0.8764983E-03	-0.2265595E-02
7	0.8073838E-01	0.7653561E-01	0.7972627E-01	0.7451421E-01
8	-0.2327583E-02	-0.2636117E-02	-0.4220937E-02	-0.6150412E-02
9	0.6198917E-01	0.6845568E-01	0.6236772E-01	0.6941436E-01
10	0.1063389	0.1050900	0.1062213	0.1043783
11	0.2974244	0.2926000	0.3008456	0.2999543
12	0.4614422E-01	0.5565321E-01	0.4664079E-01	0.5766482E-01
		YEARLY AVERAGES		
1	-0.1045615E-01	-0.1106693E-01	-0.1084854E-01	-0.1186990E-01
2	0.2839371E-01	0.2700635E-01	0.2723042E-01	0.2470051E-01
3	0.1279742	0.1304497	0.1290188	0.1328529

TABLE C.5 : IMPACT OF A BANK-RATE SHOCK ON RATE OF INFLATION, CONSUMER EXPENDITURE, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	0.5904773E-02	0.5904773E-02	0.5904773E-02	0.5904773E-02
3	0.1306734E-01	0.1311285E-01	0.1302136E-01	0.1302063E-01
4	0.8067413E-02	0.8432999E-02	0.7839712E-02	0.7977114E-02
5	0.3095909E-01	0.3143800E-01	0.3078999E-01	0.3109822E-01
6	0.3398781E-01	0.3492459E-01	0.3351993E-01	0.3398706E-01
7	0.6119637E-01	0.6139998E-01	0.6068933E-01	0.6042792E-01
8	0.5337608E-01	0.5477350E-01	0.5260464E-01	0.5335475E-01
9	0.6844140E-01	0.7032666E-01	0.6807638E-01	0.6959300E-01
10	0.7905551E-01	0.8022134E-01	0.7855716E-01	0.7930684E-01
11	0.1236964	0.1214933	0.1240055	0.1221418
12	0.8068224E-01	0.8163398E-01	0.8067556E-01	0.8184150E-01
		YEARLY AVERAGES		
1	0.9013176E-02	0.9150207E-02	0.8921947E-02	0.8967507E-02
2	0.4487984E-01	0.4563402E-01	0.4440097E-01	0.4471699E-01
3	0.8796888E-01	0.8841883E-01	0.8782866E-01	0.8822077E-01

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	0.5904773E-02	0.5904773E-02	0.5904773E-02
3	0.1302225E-01	0.1302237E-01	0.1302217E-01
4	0.7564662E-02	0.7380549E-02	0.7702485E-02
5	0.3057640E-01	0.3067145E-01	0.3048251E-01
6	0.3305363E-01	0.3309842E-01	0.3305378E-01
7	0.6022614E-01	0.5950223E-01	0.6090805E-01
8	0.5183330E-01	0.5185276E-01	0.5189793E-01
9	0.6758721E-01	0.6877541E-01	0.6652091E-01
10	0.7809917E-01	0.7838726E-01	0.7772728E-01
11	0.1242702	0.1228085	0.1256557
12	0.8070051E-01	0.8197403E-01	0.7942241E-01
		YEARLY AVERAGES	
1	0.8830560E-02	0.8769229E-02	0.8876474E-02
2	0.4392237E-01	0.4378121E-01	0.4408556E-01
3	0.8766427E-01	0.8798630E-01	0.8733158E-01

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	0.5904773E-02	0.5904773E-02	0.5904773E-02	0.5904773E-02
3	0.1297647E-01	0.1293097E-01	0.1293079E-01	0.1283996E-01
4	0.7337179E-02	0.6925412E-02	0.7109787E-02	0.6424333E-02
5	0.3036322E-01	0.3028995E-01	0.3019537E-01	0.2991111E-01
6	0.3258774E-01	0.3207744E-01	0.3203341E-01	0.3105889E-01
7	0.5972118E-01	0.5853727E-01	0.5926011E-01	0.5744799E-01
8	0.5102103E-01	0.5026894E-01	0.5016678E-01	0.4868959E-01
9	0.6718086E-01	0.6795767E-01	0.6677456E-01	0.6718180E-01
10	0.7759889E-01	0.7734278E-01	0.7705737E-01	0.7621412E-01
11	0.1246084	0.1235345	0.1249811	0.1243601
12	0.8063718E-01	0.8219015E-01	0.8056525E-01	0.8237114E-01
		YEARLY AVERAGES		
1	0.8739473E-02	0.8587051E-02	0.8648451E-02	0.8389691E-02
2	0.4342329E-01	0.4279340E-01	0.4291392E-01	0.4177690E-01
3	0.8750632E-01	0.8775628E-01	0.8734457E-01	0.8753178E-01

TABLE C.6 : IMPACT OF A BANK-RATE SHOCK ON LABOUR SHARE, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.3947328E-04	-0.3461904E-04	-0.3973779E-04	-0.3508969E-04
3	-0.4076675E-03	-0.3592852E-03	-0.4099524E-03	-0.3632840E-03
4	-0.4288370E-03	-0.3658064E-03	-0.4315230E-03	-0.3703732E-03
5	-0.7094401E-03	-0.6094510E-03	-0.7142675E-03	-0.6176494E-03
6	-0.4340616E-03	-0.3554990E-03	-0.4391431E-03	-0.3639153E-03
7	-0.8735598E-03	-0.7485950E-03	-0.8820678E-03	-0.7629027E-03
8	-0.1139328E-02	-0.9681332E-03	-0.1150151E-02	-0.9861369E-03
9	-0.1137454E-02	-0.9591761E-03	-0.1148294E-02	-0.9769982E-03
10	0.6999635E-04	0.1100501E-03	0.6533759E-04	0.1032877E-03
11	-0.6771535E-03	-0.5772791E-03	-0.6900189E-03	-0.5982260E-03
12	-0.5944336E-03	-0.4873739E-03	-0.6077449E-03	-0.5082965E-03
		YEARLY AVERAGES		
1	-0.2189944E-03	-0.1899277E-03	-0.2203033E-03	-0.1921867E-03
2	-0.7890974E-03	-0.6704195E-03	-0.7964073E-03	-0.6826511E-03
3	-0.5847612E-03	-0.4784447E-03	-0.5951801E-03	-0.4950582E-03

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.4000300E-04	-0.3556289E-04	-0.4444178E-04
3	-0.4122382E-03	-0.3672860E-03	-0.4570312E-03
4	-0.4342115E-03	-0.3749490E-03	-0.4960692E-03
5	-0.7191031E-03	-0.6258764E-03	-0.8162465E-03
6	-0.4442649E-03	-0.3724691E-03	-0.5227415E-03
7	-0.8906337E-03	-0.7774100E-03	-0.1009646E-02
8	-0.1161058E-02	-0.1004434E-02	-0.1326237E-02
9	-0.1159267E-02	-0.9952758E-03	-0.1334144E-02
10	0.6048217E-04	0.9588884E-04	0.1137088E-04
11	-0.7032497E-03	-0.6203773E-03	-0.7918795E-03
12	-0.6215442E-03	-0.5307981E-03	-0.7194641E-03
		YEARLY AVERAGES	
1	-0.2216132E-03	-0.1944495E-03	-0.2493855E-03
2	-0.8037649E-03	-0.6950474E-03	-0.9187177E-03
3	-0.6058947E-03	-0.5126406E-03	-0.7085292E-03

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.4026891E-04	-0.3603862E-04	-0.4053553E-04	-0.3651687E-04
3	-0.4145249E-03	-0.3712912E-03	-0.4168123E-03	-0.3752995E-03
4	-0.4369023E-03	-0.3795327E-03	-0.4395953E-03	-0.3841236E-03
5	-0.7239465E-03	-0.6341303E-03	-0.7287976E-03	-0.6424094E-03
6	-0.4494268E-03	-0.3811599E-03	-0.4546287E-03	-0.3899874E-03
7	-0.8992573E-03	-0.7921148E-03	-0.9079382E-03	-0.8070151E-03
8	-0.1172049E-02	-0.1023019E-02	-0.1183123E-02	-0.1041885E-02
9	-0.1170374E-02	-0.1014005E-02	-0.1181613E-02	-0.1033181E-02
10	0.5542675E-04	0.8783070E-04	0.5016792E-04	0.7909002E-04
11	-0.7168516E-03	-0.6437715E-03	-0.7308305E-03	-0.6684488E-03
12	-0.6358413E-03	-0.5549437E-03	-0.6506460E-03	-0.5808009E-03
		YEARLY AVERAGES		
1	-0.2229240E-03	-0.1967156E-03	-0.2242358E-03	-0.1989850E-03
2	-0.8111699E-03	-0.7076060E-03	-0.8186219E-03	-0.7203242E-03
3	-0.6169100E-03	-0.5312224E-03	-0.6282304E-03	-0.5508352E-03

TABLE C.7 : IMPACT OF A BANK-RATE SHOCK ON PERSONAL INCOME TAX IN CURRENT DOLLARS, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-18.24999	-18.21507	-18.23842	-18.19155
3	-8.037845	-7.716272	-7.959728	-7.559893
4	-14.95134	-14.53750	-14.88517	-14.40428
5	2.695389	3.250954	2.924724	3.711272
6	3.092521	3.838996	3.313165	4.275809
7	20.26906	20.52691	20.89252	21.74874
8	38.85765	39.17118	39.61684	40.68058
9	75.71794	75.49514	76.95250	77.93158
10	61.85344	61.31909	62.99095	63.51928
11	100.2966	97.14693	102.7383	101.7760
12	113.9793	110.3710	116.7384	115.6470
		YEARLY AVERAGES		
1	-10.30979	-10.11721	-10.27083	-10.03893
2	16.22865	16.69701	16.68681	17.60410
3	87.96182	86.08304	89.85504	89.71846

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-18.22687	-18.16813	-18.28539
3	-7.881719	-7.403935	-8.362319
4	-14.81992	-14.27456	-15.39175
5	3.154147	4.171934	2.105232
6	3.531690	4.703626	2.286548
7	21.51762	22.97713	19.93764
8	40.37750	42.19786	38.44221
9	78.20410	80.43462	75.88646
10	64.14201	65.76670	62.34801
11	105.2378	106.6215	103.6407
12	119.5714	121.2064	117.7921
		YEARLY AVERAGES	
1	-10.23213	-9.961656	-10.50986
2	17.14524	18.51264	15.69291
3	91.78883	93.50730	89.91682

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-18.21535	-18.14481	-18.20385	-18.12161
3	-7.803825	-7.248463	-7.726057	-7.093538
4	-14.75559	-14.14837	-14.69218	-14.02576
5	3.383664	4.632971	3.613285	5.094436
6	3.748072	5.122207	3.962292	5.531382
7	22.14434	24.21205	22.77271	25.45371
8	41.13969	43.72354	41.90351	45.25852
9	79.47335	83.00837	80.76091	85.65775
10	65.30706	68.06372	66.48661	70.41380
11	107.7975	111.7016	110.4200	117.0377
12	122.4817	127.0746	125.4730	133.2817
		YEARLY AVERAGES		
1	-10.19369	-9.885411	-10.15552	-9.810227
2	17.60394	19.42269	18.06295	20.33451
3	93.76490	97.46207	95.78513	101.5977

TABLE C.8 : IMPACT OF A BANK-RATE SHOCK ON LABOUR FORCE, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.1315402	-0.1052123	-0.1601926	-0.1637077
3	-1.483850	-1.128382	-1.739771	-1.645083
4	0.4154313	1.180416	0.4434093E-01	0.4400733
5	2.430270	4.003127	1.659752	2.486720
6	5.853633	7.434240	4.656947	5.097870
7	2.734217	5.800697	0.7720793	2.065244
8	6.174880	11.21109	3.726110	6.614803
9	8.576690	15.30658	5.218393	9.008700
10	10.48791	15.90152	6.549173	8.570463
11	1.047811	9.512820	-4.138377	0.1480974
12	12.38539	22.56458	7.287120	13.53361
		YEARLY AVERAGES		
1	-0.2999898	-0.1329457E-01	-0.4639056	-0.3421794
2	4.298250	7.112289	2.703722	4.066159
3	8.124452	15.82137	3.729078	7.815218

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.1893550	-0.2242337	-0.1575230
3	-1.999230	-2.175841	-1.816428
4	-0.3318804	-0.3213544	-0.3154740
5	0.8709460	0.8964717	0.8573923
6	3.426400	2.629034	4.154660
7	-1.249820	-1.899992	-0.5463963
8	1.197465	1.707309	0.8091283
9	1.723484	2.180315	1.307550
10	2.433207	0.5738270	4.192613
11	-9.581937	-10.15775	-8.871383
12	1.904716	3.459117	0.4688717
		YEARLY AVERAGES	
1	-0.6301163	-0.6803572	-0.5723562
2	1.061248	0.8332056	1.318696
3	-0.8801322	-0.9861221	-0.7255870

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.2190168	-0.2867041	-0.2491670	-0.3510270
3	-2.262080	-2.719519	-2.528171	-3.274956
4	-0.7129727	-1.101950	-1.098672	-1.899746
5	0.6412033E-01	-0.7657297	-0.7604380	-2.497709
6	2.162478	0.3138822E-01	0.8657260	-2.690492
7	-3.330796	-6.090380	-5.470043	-10.49963
8	-1.410432	-3.508503	-4.096800	-9.027610
9	-1.909450	-5.191457	-5.681660	-13.11699
10	-1.862395	-8.106563	-6.339733	-17.48414
11	-15.28899	-21.45175	-21.26540	-33.77790
12	-3.771140	-7.733547	-9.749680	-20.11903
		YEARLY AVERAGES		
1	-0.7985174	-1.027043	-0.9690027	-1.381432
2	-0.6286574	-2.583306	-2.365389	-6.178860
3	-5.707994	-10.62083	-10.75912	-21.12451

TABLE C.9 : IMPACT OF A BANK-RATE SHOCK ON SPOT EXCHANGE RATE, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.1004781E-02	0.1004779E-02	0.1004782E-02	0.1004781E-02
2	0.3220414E-02	0.3220404E-02	0.3220419E-02	0.3220416E-02
3	0.6488276E-02	0.6488243E-02	0.6488314E-02	0.6488320E-02
4	0.1088149E-01	0.1088137E-01	0.1088163E-01	0.1088165E-01
5	0.1604320E-01	0.1604299E-01	0.1604357E-01	0.1604374E-01
6	0.2158858E-01	0.2158857E-01	0.2158932E-01	0.2159005E-01
7	0.2661638E-01	0.2661760E-01	0.2661747E-01	0.2661978E-01
8	0.3030604E-01	0.3031135E-01	0.3030668E-01	0.3031265E-01
9	0.3248582E-01	0.3250125E-01	0.3248367E-01	0.3249723E-01
10	0.3258971E-01	0.3262558E-01	0.3258051E-01	0.3260841E-01
11	0.3081750E-01	0.3088766E-01	0.3079578E-01	0.3084776E-01
12	0.2765685E-01	0.2777579E-01	0.2761722E-01	0.2770463E-01
		YEARLY AVERAGES		
1	0.5398740E-02	0.5398699E-02	0.5398786E-02	0.5398792E-02
2	0.2363855E-01	0.2364013E-01	0.2363926E-01	0.2364155E-01
3	0.3088747E-01	0.3094757E-01	0.3086929E-01	0.3091451E-01

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.1004783E-02	0.1004782E-02	0.1004783E-02
2	0.3220425E-02	0.3220428E-02	0.3220423E-02
3	0.6488352E-02	0.6488395E-02	0.6488308E-02
4	0.1088177E-01	0.1088192E-01	0.1088161E-01
5	0.1604394E-01	0.1604445E-01	0.1604342E-01
6	0.2159004E-01	0.2159146E-01	0.2158861E-01
7	0.2661854E-01	0.2662186E-01	0.2661519E-01
8	0.3030727E-01	0.3031372E-01	0.3030069E-01
9	0.3248138E-01	0.3249263E-01	0.3246981E-01
10	0.3257088E-01	0.3258952E-01	0.3255160E-01
11	0.3077295E-01	0.3080346E-01	0.3074124E-01
12	0.2757504E-01	0.2762367E-01	0.2752430E-01
		YEARLY AVERAGES	
1	0.5398832E-02	0.5398881E-02	0.5398781E-02
2	0.2363995E-01	0.2364287E-01	0.2363698E-01
3	0.3085006E-01	0.3087732E-01	0.3082174E-01

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.1004784E-02	0.1004784E-02	0.1004784E-02	0.1004786E-02
2	0.3220431E-02	0.3220439E-02	0.3220437E-02	0.3220450E-02
3	0.6488388E-02	0.6488467E-02	0.6488425E-02	0.6488537E-02
4	0.1088190E-01	0.1088218E-01	0.1088203E-01	0.1088243E-01
5	0.1604429E-01	0.1604514E-01	0.1604464E-01	0.1604579E-01
6	0.2159074E-01	0.2159281E-01	0.2159143E-01	0.2159410E-01
7	0.2661959E-01	0.2662383E-01	0.2662061E-01	0.2662571E-01
8	0.3030781E-01	0.3031461E-01	0.3030830E-01	0.3031532E-01
9	0.3247895E-01	0.3248749E-01	0.3247639E-01	0.3248186E-01
10	0.3256083E-01	0.3256900E-01	0.3255037E-01	0.3254691E-01
11	0.3074900E-01	0.3075483E-01	0.3072394E-01	0.3070190E-01
12	0.2753030E-01	0.2753274E-01	0.2748297E-01	0.2743169E-01
		YEARLY AVERAGES		
1	0.5398876E-02	0.5398967E-02	0.5398919E-02	0.5399051E-02
2	0.2364061E-01	0.2364410E-01	0.2364124E-01	0.2364523E-01
3	0.3082977E-01	0.3083601E-01	0.3080842E-01	0.3079059E-01

TABLE C.10: IMPACT OF A BANK-RATE SHOCK ON CONSUMER EXPENDITURE, TOTAL, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-7.042029	-7.027496	-7.038766	-7.020681
3	53.48997	53.51860	53.57855	53.69656
4	59.19730	59.26570	59.36018	59.59092
5	104.6082	104.5937	105.0216	105.4124
6	139.7594	139.5243	140.4237	140.8311
7	190.8309	190.1022	191.9575	192.3075
8	242.5462	241.2778	244.0729	244.2581
9	275.0986	273.4080	277.2036	277.5099
10	298.6230	296.1705	301.1454	301.0611
11	335.2100	331.1852	338.5817	337.6709
12	351.1274	346.3355	354.8002	353.3707
		YEARLY AVERAGES		
1	26.41131	26.43920	26.47499	26.56670
2	169.4362	168.8745	170.3689	170.7023
3	315.0147	311.7748	317.9327	317.4031

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-7.035547	-7.014039	-7.056986
3	53.66706	53.87426	53.45893
4	59.52258	59.91432	59.12252
5	105.4344	106.2293	104.6128
6	141.0876	142.1363	139.9858
7	193.0864	194.5218	191.5627
8	245.6049	247.2601	243.8587
9	279.3229	281.6679	276.8505
10	303.6891	306.0334	301.1764
11	341.9956	344.3167	339.4637
12	358.5291	360.6197	356.2619
		YEARLY AVERAGES	
1	26.53852	26.69364	26.38112
2	171.3033	172.5369	170.0050
3	320.8842	323.1594	318.4381

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-7.032371	-7.007572	-7.029238	-7.001283
3	53.75549	54.05168	53.84386	54.22881
4	59.68450	60.23586	59.84594	60.55548
5	105.8468	107.0443	106.2586	107.8572
6	141.7510	143.4398	142.4140	144.7415
7	194.2175	196.7451	195.3508	198.9771
8	247.1422	250.2838	248.6849	253.3291
9	281.4565	285.8830	283.6048	290.1566
10	306.2543	311.0891	308.8414	316.2303
11	345.4525	351.1289	348.9534	358.1150
12	362.3155	368.0926	366.1608	375.8010
		YEARLY AVERAGES		
1	26.60190	26.81999	26.66514	26.94575
2	172.2394	174.3782	173.1771	176.2262
3	323.8697	329.0484	326.8901	335.0757

TABLE C.11: IMPACT OF A BANK-RATE SHOCK ON INVESTMENT, TOTAL, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	14.79969	14.72031	14.83534	14.79150
3	32.30969	32.03633	32.46738	32.34899
4	38.79841	38.34106	39.08421	38.90288
5	59.08108	57.98288	59.75330	59.28779
6	79.06603	77.18094	80.20014	79.36510
7	92.16485	89.72369	93.68528	92.63634
8	89.46551	87.12230	90.98443	90.02141
9	103.7301	100.7489	105.6850	104.4534
10	122.0352	118.0562	124.6192	122.9228
11	136.7502	131.8710	139.9625	137.8902
12	129.6291	124.8261	132.8241	130.7869
		YEARLY AVERAGES		
1	21.47695	21.27442	21.59673	21.51084
2	79.94437	78.00245	81.15579	80.32766
3	123.0361	118.8755	125.7727	124.0133

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	14.87106	14.86299	14.87909
3	32.62537	32.66286	32.58878
4	39.37106	39.46880	39.27235
5	60.43039	60.61143	60.23990
6	81.34659	81.59646	81.08037
7	95.22747	95.63178	94.80532
8	92.52870	93.01633	92.01981
9	107.6802	108.3092	107.0136
10	127.2672	128.0279	126.4535
11	143.2684	144.2554	142.2219
12	136.1220	137.1258	135.0554
		YEARLY AVERAGES	
1	21.71687	21.74866	21.68505
2	82.38329	82.71400	82.03635
3	128.5844	129.4296	127.6861

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	14.90685	14.93476	14.94271	15.00682
3	32.78367	32.97788	32.94226	33.29401
4	39.65895	40.03864	39.94786	40.61226
5	61.11230	61.95351	61.79901	63.31372
6	82.50538	83.87509	83.67650	86.20101
7	96.79154	98.71104	98.37763	101.8751
8	94.09858	96.10903	95.69432	99.30147
9	109.7165	112.3213	111.7945	116.4947
10	129.9808	133.3826	132.7615	138.9989
11	146.6706	150.9874	150.1721	158.1089
12	139.5266	143.8699	143.0416	151.0490
		YEARLY AVERAGES		
1	21.83737	21.98782	21.95821	22.22827
2	83.62695	85.16217	84.88687	87.67282
3	131.4736	135.1403	134.4424	141.1629

TABLE D.1 : IMPACT OF A WAGE-GROWTH SHOCK ON GNP GAP, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-13.24808	-14.48782	-12.40576	-12.82190
2	-16.76601	-19.21757	-15.53367	-16.86477
3	-25.67484	-28.86022	-23.87808	-25.42887
4	-32.53768	-34.10690	-30.13360	-29.46283
5	-27.53905	-33.21956	-24.11587	-26.82239
6	-61.05372	-67.85802	-57.90942	-62.03683
7	-90.18626	-97.25991	-86.01142	-89.48198
8	-93.18465	-98.51836	-88.23305	-89.28572
9	-120.3874	-131.8938	-114.0093	-120.5111
10	-189.2973	-198.7033	-184.6347	-190.5899
11	-231.2579	-241.5602	-225.3767	-231.4691
12	-161.7617	-170.8687	-155.2737	-159.4928
		YEARLY AVERAGES		
1	-22.05665	-24.16813	-20.48778	-21.14459
2	-67.99092	-74.21396	-64.06744	-66.90673
3	-175.6761	-185.7565	-169.8236	-175.5157

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-11.55394	-11.11761	-11.98749
2	-14.29249	-14.47760	-14.14476
3	-22.06789	-21.94202	-22.19075
4	-27.69678	-24.69153	-30.66778
5	-20.63397	-20.20441	-21.33371
6	-54.70858	-55.99256	-53.47467
7	-81.70284	-81.18857	-82.14711
8	-83.06693	-79.25635	-86.86594
9	-107.3213	-108.0041	-106.9357
10	-179.7139	-181.5172	-177.8655
11	-219.0243	-219.6585	-218.3210
12	-148.1587	-145.8402	-150.4165
		YEARLY AVERAGES	
1	-18.90277	-18.05719	-19.74770
2	-60.02808	-59.16047	-60.95536
3	-163.5545	-163.7550	-163.3847

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-10.69269	-9.375565	-9.822094	-7.596402
2	-13.04307	-12.06069	-11.78604	-9.618828
3	-20.24526	-18.40674	-18.41119	-14.83011
4	-25.22817	-19.79971	-22.72872	-14.79416
5	-17.09443	-13.37296	-13.49836	-6.336225
6	-51.45241	-49.73241	-48.14219	-43.26465
7	-77.25820	-72.36136	-72.67519	-62.98235
8	-77.68219	-68.40135	-72.07494	-56.69573
9	-100.3165	-94.31990	-92.98827	-79.41169
10	-174.5302	-171.4441	-169.0800	-160.3468
11	-212.1773	-205.9569	-204.8137	-190.2216
12	-140.3873	-129.7063	-131.9355	-110.9944
		YEARLY AVERAGES		
1	-17.30230	-14.91068	-15.68701	-11.70987
2	-55.87181	-50.96702	-51.59767	-42.31974
3	-156.8528	-150.3568	-149.7044	-135.2436

TABLE D.2 : IMPACT OF A WAGE-GROWTH SHOCK ON GNP, 1973:4–1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-9.433645	-9.478961	-9.408971	-9.429485
2	-21.37565	-21.56546	-21.27861	-21.37237
3	-37.27188	-37.77344	-37.03876	-37.31305
4	-47.89320	-48.66024	-47.50110	-47.88551
5	-73.33531	-74.61368	-72.60942	-73.19452
6	-113.6292	-115.3990	-112.6917	-113.5810
7	-160.1454	-163.0293	-158.6860	-160.2106
8	-181.3997	-184.7282	-179.6806	-181.4300
9	-233.2193	-237.8533	-230.7888	-233.2218
10	-316.0923	-321.1006	-313.6501	-316.4590
11	-409.9876	-416.8243	-406.7708	-410.7328
12	-385.2383	-392.7902	-381.5014	-385.8085
		YEARLY AVERAGES		
1	-28.99359	-29.36953	-28.80686	-29.00010
2	-132.1274	-134.4425	-130.9169	-132.1040
3	-336.1344	-342.1421	-333.1778	-336.5555

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-9.384277	-9.379922	-9.388531
2	-21.18168	-21.17967	-21.18404
3	-36.80662	-36.85630	-36.75759
4	-47.11190	-47.12138	-47.09914
5	-71.88554	-71.78200	-71.99010
6	-111.7538	-111.7601	-111.7577
7	-157.2202	-157.3651	-157.0791
8	-177.9420	-178.0554	-177.8196
9	-228.3222	-228.4514	-228.1893
10	-311.1737	-311.6831	-310.6557
11	-403.5046	-404.4426	-402.5357
12	-377.6649	-378.4346	-376.8453
		YEARLY AVERAGES	
1	-28.62112	-28.63432	-28.60733
2	-129.7004	-129.7406	-129.6616
3	-330.1663	-330.7529	-329.5565

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-9.359561	-9.330273	-9.334824	-9.280537
2	-21.08486	-20.98738	-20.98814	-20.79553
3	-36.57547	-36.40335	-36.34533	-35.95436
4	-46.72561	-46.36793	-46.34223	-45.62522
5	-71.16373	-70.37666	-70.44408	-68.97898
6	-110.8157	-109.9374	-109.8775	-108.1143
7	-155.7483	-154.4949	-154.2706	-151.6020
8	-176.1841	-174.6073	-174.4075	-171.0893
9	-225.8202	-223.5475	-223.2837	-218.5193
10	-308.6662	-306.7948	-306.1316	-301.8314
11	-400.1968	-398.0097	-396.8579	-391.5401
12	-373.7422	-370.7671	-369.7537	-363.0331
		YEARLY AVERAGES		
1	-28.43638	-28.27223	-28.25263	-27.91391
2	-128.4780	-127.3541	-127.2499	-124.9461
3	-327.1063	-324.7798	-324.0067	-318.7310

TABLE D.3 : IMPACT OF A WAGE-GROWTH SHOCK ON EMPLOYMENT, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-0.1312605	0.2625834	-0.3986733	-0.2661096
2	-1.887746	-0.9870053	-2.359570	-1.891260
3	-4.618080	-3.473513	-5.250060	-4.673693
4	-6.493040	-6.076497	-7.202343	-7.433783
5	-17.42718	-16.34293	-18.26615	-17.89104
6	-23.26643	-21.73478	-23.88189	-22.82343
7	-27.37093	-26.16026	-27.90250	-27.07878
8	-31.04556	-31.08099	-31.55646	-31.97516
9	-42.55827	-41.82740	-43.12083	-42.66553
10	-49.67837	-49.38863	-49.57727	-48.91853
11	-61.19553	-61.66443	-60.79680	-60.55520
12	-72.07880	-73.80973	-71.54870	-72.57960
		YEARLY AVERAGES		
1	-3.282532	-2.568608	-3.802662	-3.566212
2	-24.77752	-23.82974	-25.40175	-24.94210
3	-56.37774	-56.67255	-56.26090	-56.17972

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-0.6691937	-0.8073673	-0.5319127
2	-2.835449	-2.811612	-2.847335
3	-5.887507	-5.896410	-5.875813
4	-7.923740	-8.837693	-7.022577
5	-19.12414	-19.51104	-18.65882
6	-24.51606	-23.98645	-25.00794
7	-28.47262	-28.14757	-28.82617
8	-32.12947	-33.09937	-31.20227
9	-43.76663	-43.80303	-43.66233
10	-49.54223	-48.69047	-50.39263
11	-60.50793	-59.84377	-61.21803
12	-71.15953	-71.84840	-70.53430
		YEARLY AVERAGES	
1	-4.328972	-4.588271	-4.069409
2	-26.06057	-26.18611	-25.92380
3	-56.24408	-56.04642	-56.45182

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-0.9427890	-1.360926	-1.219425	-1.926504
2	-3.315111	-3.746007	-3.798283	-4.692333
3	-6.529927	-7.138140	-7.176830	-8.395333
4	-8.656683	-10.28433	-9.400623	-11.76973
5	-20.00049	-21.19834	-20.89450	-22.94786
6	-25.16830	-25.21985	-25.83791	-26.51898
7	-29.08170	-29.37021	-29.73008	-30.74937
8	-32.76576	-34.46160	-33.46630	-36.06743
9	-44.49717	-45.25133	-45.31363	-47.01807
10	-49.57500	-48.71983	-49.67693	-49.01830
11	-60.33733	-59.59310	-60.29347	-59.86697
12	-70.92387	-71.70550	-70.85433	-72.23707
		YEARLY AVERAGES		
1	-4.861127	-5.632351	-5.398790	-6.695975
2	-26.75406	-27.56250	-27.48220	-29.07091
3	-56.33334	-56.31744	-56.53459	-57.03510

TABLE D.4 : IMPACT OF A WAGE-GROWTH SHOCK ON RATE OF INFLATION, GNP, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.5883083E-02	0.5883083E-02	0.5883083E-02	0.5883083E-02
2	0.2670158	0.2692886	0.2655433	0.2662358
3	0.3459541	0.3490359	0.3446926	0.3467801
4	0.3151740	0.3159040	0.3145838	0.3150041
5	0.3236175	0.3185158	0.3239090	0.3188529
6	0.3012982	0.3045811	0.3007459	0.3039153
7	0.3668404	0.3688155	0.3690145	0.3731553
8	0.3768749	0.3723917	0.3790956	0.3763515
9	0.3154982	0.3036691	0.3185396	0.3092025
10	0.3465659	0.3490391	0.3475516	0.3517037
11	0.4257925	0.4194448	0.4327877	0.4329265
12	0.3622987	0.3530252	0.3671899	0.3620191
		YEARLY AVERAGES		
1	0.3093813	0.3114095	0.3082732	0.3093400
2	0.3421577	0.3410760	0.3431912	0.3430688
3	0.3625388	0.3562946	0.3665172	0.3639630

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.5883083E-02	0.5883083E-02	0.5883083E-02
2	0.2639970	0.2631433	0.2647685
3	0.3433700	0.3444351	0.3425529
4	0.3140909	0.3139803	0.3140264
5	0.3242047	0.3193527	0.3289145
6	0.3001879	0.3030751	0.2979030
7	0.3711492	0.3775633	0.3645696
8	0.3812715	0.3802759	0.3817779
9	0.3215257	0.3145869	0.3282415
10	0.3484884	0.3543308	0.3434831
11	0.4402592	0.4473886	0.4325023
12	0.3720711	0.3711809	0.3725758
		YEARLY AVERAGES	
1	0.3071527	0.3071862	0.3071159
2	0.3442033	0.3450667	0.3432912
3	0.3705861	0.3718718	0.3692007

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.5883083E-02	0.5883083E-02	0.5883083E-02	0.5883083E-02
2	0.2623769	0.2599265	0.2606834	0.2565851
3	0.3421529	0.3420005	0.3409564	0.3397229
4	0.3135243	0.3131569	0.3129687	0.3121157
5	0.3245036	0.3196310	0.3248077	0.3199234
6	0.2994791	0.3020703	0.2988398	0.3010493
7	0.3734629	0.3822615	0.3757366	0.3871058
8	0.3833975	0.3839664	0.3854769	0.3873586
9	0.3244585	0.3198922	0.3274019	0.3251236
10	0.3495669	0.3569198	0.3503984	0.3595914
11	0.4478171	0.4631932	0.4558919	0.4802433
12	0.3770021	0.3802134	0.3819759	0.3892655
		YEARLY AVERAGES		
1	0.3060180	0.3050280	0.3048695	0.3028079
2	0.3452108	0.3469823	0.3462152	0.3488593
3	0.3747111	0.3800547	0.3789170	0.3885559

TABLE D.5 : IMPACT OF A WAGE-GROWTH SHOCK ON RATE OF INFLATION, CONSUMER EXPENDITURE, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.1337741E-02	0.1337741E-02	0.1337741E-02	0.1337741E-02
2	0.1101578	0.1106870	0.1098935	0.1099818
3	0.1621451	0.1629856	0.1615583	0.1622377
4	0.1715782	0.1723392	0.1712079	0.1714989
5	0.1939998	0.1934347	0.1938009	0.1929558
6	0.2032402	0.2038219	0.2028600	0.2033597
7	0.2290563	0.2297144	0.2293589	0.2302884
8	0.2425594	0.2420285	0.2430811	0.2429903
9	0.2416591	0.2388600	0.2426763	0.2406680
10	0.2555516	0.2548683	0.2563137	0.2565453
11	0.2791895	0.2766085	0.2813291	0.2808905
12	0.2756983	0.2724857	0.2778853	0.2765554
		YEARLY AVERAGES		
1	0.1479604	0.1486706	0.1475532	0.1479061
2	0.2172139	0.2172499	0.2172752	0.2173986
3	0.2630246	0.2607056	0.2645511	0.2636648

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.1337741E-02	0.1337741E-02	0.1337741E-02
2	0.1094545	0.1092791	0.1096301
3	0.1611490	0.1614126	0.1611418
4	0.1708408	0.1707557	0.1707509
5	0.1936054	0.1924896	0.1947266
6	0.2024822	0.2027480	0.2022835
7	0.2297360	0.2308589	0.2284450
8	0.2435211	0.2439350	0.2431069
9	0.2435384	0.2424380	0.2446596
10	0.2571357	0.2580921	0.2560769
11	0.2835631	0.2852805	0.2819046
12	0.2800721	0.2807898	0.2791726
		YEARLY AVERAGES	
1	0.1471481	0.1471491	0.1471743
2	0.2173361	0.2175079	0.2171405
3	0.2660773	0.2666501	0.2654534

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.1337741E-02	0.1337741E-02	0.1337741E-02	0.1337741E-02
2	0.1091038	0.1084912	0.1086660	0.1077936
3	0.1608250	0.1605122	0.1604199	0.1596175
4	0.1703048	0.1700289	0.1699434	0.1693100
5	0.1934132	0.1920390	0.1931437	0.1914372
6	0.2021071	0.2019926	0.2017374	0.2014073
7	0.2299585	0.2316608	0.2302578	0.2322242
8	0.2440345	0.2447881	0.2445426	0.2455525
9	0.2444632	0.2441719	0.2453785	0.2458000
10	0.2578012	0.2595828	0.2585220	0.2611642
11	0.2859588	0.2899713	0.2883048	0.2949588
12	0.2822609	0.2851107	0.2845157	0.2895075
		YEARLY AVERAGES		
1	0.1467445	0.1463441	0.1463431	0.1455737
2	0.2173783	0.2176202	0.2174204	0.2176553
3	0.2676210	0.2697092	0.2691803	0.2728576

TABLE D.6 : IMPACT OF A WAGE-GROWTH SHOCK ON LABOUR SHARE, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.2521420E-04	0.2270195E-04	0.2503487E-04	0.2238198E-04
2	0.8005572E-04	0.7107625E-04	0.7974039E-04	0.7054392E-04
3	0.1117044E-03	0.9858472E-04	0.1108461E-03	0.9711782E-04
4	0.5746922E-04	0.4884785E-04	0.5649391E-04	0.4720246E-04
5	0.1804553E-03	0.1622884E-03	0.1777577E-03	0.1577000E-03
6	0.3872797E-03	0.3435434E-03	0.3841439E-03	0.3383760E-03
7	0.4181049E-03	0.3688008E-03	0.4122943E-03	0.3591013E-03
8	0.1352631E-03	0.1083090E-03	0.1332199E-03	0.1053588E-03
9	0.4441323E-03	0.3997923E-03	0.4366557E-03	0.3874626E-03
10	0.8741282E-03	0.7716698E-03	0.8687309E-03	0.7632076E-03
11	0.9118335E-03	0.8006802E-03	0.9011001E-03	0.7831636E-03
12	-0.1026783E-03	-0.1224056E-03	-0.1040403E-03	-0.1232861E-03
		YEARLY AVERAGES		
1	0.6861088E-04	0.6030269E-04	0.6802882E-04	0.5931154E-04
2	0.2802757E-03	0.2457354E-03	0.2768539E-03	0.2401340E-03
3	0.5318539E-03	0.4624342E-03	0.5256116E-03	0.4526369E-03

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.2485556E-04	0.2206209E-04	0.2765623E-04
2	0.7942301E-04	0.7000413E-04	0.8899878E-04
3	0.1099861E-03	0.9564446E-04	0.1248947E-03
4	0.5552188E-04	0.4556653E-04	0.6658200E-04
5	0.1750477E-03	0.1530660E-03	0.1980770E-03
6	0.3809788E-03	0.3331068E-03	0.4305697E-03
7	0.4064378E-03	0.3492430E-03	0.4671449E-03
8	0.1310807E-03	0.1020918E-03	0.1647215E-03
9	0.4290177E-03	0.3745976E-03	0.4868490E-03
10	0.8632219E-03	0.7543688E-03	0.9763480E-03
11	0.8902022E-03	0.7650641E-03	0.1023119E-02
12	-0.1057567E-03	-0.1253500E-03	-0.7611504E-04
		YEARLY AVERAGES	
1	0.6744664E-04	0.5831930E-04	0.7703293E-04
2	0.2733862E-03	0.2343769E-03	0.3151283E-03
3	0.5191713E-03	0.4421701E-03	0.6025502E-03

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.2467628E-04	0.2174228E-04	0.2449702E-04	0.2142256E-04
2	0.7910363E-04	0.6945723E-04	0.7878231E-04	0.6890357E-04
3	0.1091246E-03	0.9416599E-04	0.1082617E-03	0.9268373E-04
4	0.5455327E-04	0.4394095E-04	0.5358821E-04	0.4232641E-04
5	0.1723259E-03	0.1483910E-03	0.1695930E-03	0.1436792E-03
6	0.3777858E-03	0.3277441E-03	0.3745663E-03	0.3222963E-03
7	0.4005372E-03	0.3392372E-03	0.3945943E-03	0.3290959E-03
8	0.1288462E-03	0.9851386E-04	0.1265179E-03	0.9463437E-04
9	0.4212232E-03	0.3612273E-03	0.4132782E-03	0.3473998E-03
10	0.8576193E-03	0.7452691E-03	0.8519471E-03	0.7361079E-03
11	0.8791770E-03	0.7466178E-03	0.8680761E-03	0.7282815E-03
12	-0.1077894E-03	-0.1283543E-03	-0.1100743E-03	-0.1316197E-03
		YEARLY AVERAGES		
1	0.6686444E-04	0.5732661E-04	0.6628231E-04	0.5633407E-04
2	0.2698738E-03	0.2284715E-03	0.2663179E-03	0.2224264E-03
3	0.5125575E-03	0.4311900E-03	0.5058068E-03	0.4200424E-03

TABLE D.7 : IMPACT OF A WAGE-GROWTH SHOCK ON PERSONAL INCOME TAX IN CURRENT DOLLARS, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	12.39100	12.29366	12.44743	12.40679
2	17.24923	17.04475	17.32325	17.19042
3	24.43065	24.15822	24.54763	24.39245
4	55.15805	55.13380	55.28045	55.38911
5	36.80403	35.96012	37.19962	36.72063
6	51.42419	50.25808	51.87529	51.14005
7	44.73851	43.27672	45.48170	44.72857
8	118.7380	117.8832	119.4854	119.3231
9	61.27404	58.26888	62.75993	61.08165
10	87.59228	83.89426	89.25560	87.06340
11	58.11727	53.50186	60.48108	57.97799
12	205.4159	200.2572	209.1068	207.1400
		YEARLY AVERAGES		
1	27.30723	27.15761	27.39969	27.34469
2	62.92618	61.84453	63.51050	62.97809
3	103.0999	98.98055	105.4009	103.3158

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	12.50390	12.52012	12.48783
2	17.39616	17.33170	17.45841
3	24.66262	24.61932	24.71016
4	55.39730	55.62353	55.17790
5	37.59496	37.48054	37.68710
6	52.32466	52.01681	52.63826
7	46.23114	46.20528	46.27939
8	120.2469	120.8150	119.6989
9	64.26351	63.96095	64.52571
10	90.94311	90.32703	91.57310
11	62.90587	62.68143	63.16086
12	212.9556	214.6049	211.3465
		YEARLY AVERAGES	
1	27.48999	27.52367	27.45857
2	64.09941	64.12941	64.07591
3	107.7670	107.8936	107.6515

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	12.56042	12.63365	12.61699	12.74737
2	17.46795	17.46848	17.53860	17.60065
3	24.77563	24.83888	24.88667	25.05117
4	55.50873	55.83796	55.61485	56.03336
5	37.98999	38.23944	38.38467	38.99697
6	52.77224	52.88804	53.21799	53.75351
7	46.98687	47.70700	47.74894	49.23408
8	121.0221	122.3573	121.8110	123.9485
9	65.78507	66.90907	67.32490	69.92867
10	92.65522	93.68847	94.39239	97.15127
11	65.39428	67.63080	67.94900	72.84457
12	216.9670	222.6861	221.1464	231.4188
		YEARLY AVERAGES		
1	27.57818	27.69474	27.66428	27.85814
2	64.69280	65.29794	65.29065	66.48326
3	110.2004	112.7286	112.7032	117.8358

TABLE D.8 : IMPACT OF A WAGE-GROWTH SHOCK ON LABOUR FORCE, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.2402595	0.6953827	-0.6850790E-01	0.8489990E-01
2	-0.7586490	0.3727603	-1.364334	-0.7919303
3	-2.322810	-0.6833137	-3.232304	-2.418706
4	-2.704083	-1.587725	-3.874060	-3.831663
5	-12.60328	-10.51778	-14.13575	-13.39108
6	-16.81178	-13.84952	-18.34912	-16.68498
7	-17.72744	-14.60598	-19.41593	-17.70086
8	-17.23626	-15.02977	-19.14916	-18.54859
9	-23.76680	-20.35643	-26.01749	-24.32144
10	-23.20684	-19.80712	-24.99714	-22.79091
11	-23.76549	-20.73623	-25.41341	-23.29740
12	-24.99956	-23.02343	-26.65269	-25.65197
		YEARLY AVERAGES		
1	-1.386321	-0.3007239	-2.134801	-1.739350
2	-16.09469	-13.50076	-17.76249	-16.58138
3	-23.93467	-20.98080	-25.77018	-24.01543

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-0.3808527	-0.5400463	-0.2226904
2	-1.975347	-1.977824	-1.959302
3	-4.149657	-4.186333	-4.107387
4	-5.060690	-6.140423	-3.992510
5	-15.69551	-16.36859	-14.93157
6	-19.91779	-19.64433	-20.13027
7	-21.16350	-21.02646	-21.30544
8	-21.15817	-22.42863	-19.91351
9	-28.40509	-28.78898	-27.92918
10	-26.92672	-26.29193	-27.53315
11	-27.27112	-26.62952	-27.93871
12	-28.58306	-29.28466	-27.93984
		YEARLY AVERAGES	
1	-2.891637	-3.211157	-2.570472
2	-19.48374	-19.86700	-19.07019
3	-27.79649	-27.74877	-27.83522

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-0.6967370	-1.179152	-1.016122	-1.832094
2	-2.591370	-3.182495	-3.212077	-4.403460
3	-5.074233	-5.981617	-6.005407	-7.799957
4	-6.263167	-8.508197	-7.480677	-10.92906
5	-17.28145	-19.44270	-18.89247	-22.60525
6	-21.51657	-22.71949	-23.14417	-25.90147
7	-22.96995	-24.58226	-24.83498	-28.36640
8	-23.26399	-26.67484	-25.46708	-31.28893
9	-30.93086	-33.76943	-33.59567	-39.26760
10	-28.99730	-30.32669	-31.21011	-34.90473
11	-29.34807	-30.80490	-31.65346	-35.89060
12	-30.80615	-34.03293	-33.33670	-39.99217
		YEARLY AVERAGES		
1	-3.656377	-4.712865	-4.428570	-6.241142
2	-21.25799	-23.35482	-23.08467	-27.04051
3	-30.02059	-32.23349	-32.44899	-37.51377

TABLE D.9 : IMPACT OF A WAGE-GROWTH SHOCK ON SPOT EXCHANGE RATE, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-0.1018042E-06	-0.1009322E-06	-0.1021264E-06	-0.1015702E-06
2	0.9735151E-06	0.9790334E-06	0.9710411E-06	0.9741175E-06
3	0.1497471E-04	0.1500391E-04	0.1495927E-04	0.1497314E-04
4	0.6108844E-04	0.6125029E-04	0.6099029E-04	0.6105407E-04
5	0.1645396E-03	0.1651853E-03	0.1641346E-03	0.1643796E-03
6	0.3271246E-03	0.3290388E-03	0.3259141E-03	0.3266404E-03
7	0.5323970E-03	0.5369186E-03	0.5294637E-03	0.5311261E-03
8	0.7463096E-03	0.7557062E-03	0.7400655E-03	0.7434274E-03
9	0.9544110E-03	0.9720584E-03	0.9425084E-03	0.9487967E-03
10	0.1143349E-02	0.1173985E-02	0.1122538E-02	0.1133630E-02
11	0.1342350E-02	0.1391162E-02	0.1308900E-02	0.1326884E-02
12	0.1647132E-02	0.1718279E-02	0.1597725E-02	0.1624437E-02
		YEARLY AVERAGES		
1	0.1923372E-04	0.1928308E-04	0.1920462E-04	0.1922494E-04
2	0.4425927E-03	0.4467122E-03	0.4398945E-03	0.4413934E-03
3	0.1271810E-02	0.1313871E-02	0.1242918E-02	0.1258437E-02

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-0.1024473E-06	-0.1022030E-06	-0.1026903E-06
2	0.9685849E-06	0.9692716E-06	0.9679104E-06
3	0.1494402E-04	0.1494307E-04	0.1494509E-04
4	0.6089310E-04	0.6086151E-04	0.6092530E-04
5	0.1637337E-03	0.1635890E-03	0.1638833E-03
6	0.3247166E-03	0.3242899E-03	0.3251628E-03
7	0.5265606E-03	0.5254416E-03	0.5277294E-03
8	0.7338719E-03	0.7313187E-03	0.7365375E-03
9	0.9306570E-03	0.9256702E-03	0.9358728E-03
10	0.1101704E-02	0.1093063E-02	0.1110758E-02
11	0.1275193E-02	0.1261390E-02	0.1289663E-02
12	0.1547482E-02	0.1527075E-02	0.1568881E-02
		YEARLY AVERAGES	
1	0.1917581E-04	0.1916791E-04	0.1918390E-04
2	0.4372207E-03	0.4361598E-03	0.4383282E-03
3	0.1213759E-02	0.1201800E-02	0.1226294E-02

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-0.1027668E-06	-0.1028307E-06	-0.1030851E-06	-0.1034534E-06
2	0.9661466E-06	0.9644967E-06	0.9637264E-06	0.9597939E-06
3	0.1492896E-04	0.1491373E-04	0.1491408E-04	0.1488512E-04
4	0.6079690E-04	0.6067269E-04	0.6070168E-04	0.6048766E-04
5	0.1633368E-03	0.1628141E-03	0.1629442E-03	0.1620555E-03
6	0.3235325E-03	0.3219902E-03	0.3223621E-03	0.3197441E-03
7	0.5236892E-03	0.5198763E-03	0.5208512E-03	0.5144433E-03
8	0.7277347E-03	0.7194214E-03	0.7216601E-03	0.7077908E-03
9	0.9188751E-03	0.9028133E-03	0.9071861E-03	0.8804462E-03
10	0.1080895E-02	0.1052623E-02	0.1060174E-02	0.1012961E-02
11	0.1241324E-02	0.1195367E-02	0.1207428E-02	0.1130250E-02
12	0.1496543E-02	0.1427173E-02	0.1445098E-02	0.1326154E-02
		YEARLY AVERAGES		
1	0.1914731E-04	0.1911202E-04	0.1911910E-04	0.1905728E-04
2	0.4345733E-03	0.4310255E-03	0.4319544E-03	0.4260084E-03
3	0.1184409E-02	0.1144494E-02	0.1154972E-02	0.1087453E-02

TABLE D.10: IMPACT OF A WAGE-GROWTH SHOCK ON CONSUMER EXPENDITURE, TOTAL, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	6.653690	6.593046	6.687487	6.660834
2	11.43663	11.29308	11.49586	11.41071
3	19.42343	19.12923	19.53859	19.35872
4	37.98499	37.70909	38.12823	38.00132
5	40.80350	40.13244	41.11848	40.75349
6	32.16604	31.20402	32.56145	31.97856
7	30.29492	28.69327	30.98599	30.04363
8	56.22001	54.50812	57.05971	56.14055
9	42.91113	40.23136	44.17033	42.64670
10	20.46241	17.39471	21.79805	19.94648
11	-0.3726057	-4.947004	1.644078	-1.110694
12	38.04414	32.45243	40.90631	37.84468
		YEARLY AVERAGES		
1	18.87468	18.68111	18.96254	18.85790
2	39.87112	38.63446	40.43141	39.72906
3	25.26127	21.28287	27.12969	24.83179

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	6.721318	6.728756	6.713979
2	11.55467	11.52673	11.58191
3	19.65249	19.58349	19.72334
4	38.26790	38.28016	38.26192
5	41.43069	41.36429	41.49581
6	32.95537	32.74814	33.16553
7	31.67936	31.40387	31.97100
8	57.90835	57.80731	58.03580
9	45.44586	45.12415	45.78517
10	23.15276	22.57181	23.75719
11	3.700185	2.875479	4.568538
12	43.85777	43.57057	44.20673
		YEARLY AVERAGES	
1	19.04909	19.02978	19.07029
2	40.99344	40.83090	41.16703
3	29.03914	28.53550	29.57941

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	6.755181	6.796811	6.789077	6.865000
2	11.61307	11.64110	11.67105	11.75377
3	19.76513	19.80351	19.87652	20.01876
4	38.40407	38.54608	38.53682	38.79960
5	41.74017	41.96514	42.04696	42.55633
6	33.34781	33.51269	33.73875	34.27224
7	32.37504	32.77389	33.07301	34.15374
8	58.76583	59.50743	59.63204	61.24020
9	46.73767	47.66336	48.04574	50.26426
10	24.52656	25.27100	25.91951	28.04428
11	5.796371	7.016075	7.933221	11.31396
12	46.90025	49.64171	50.03533	56.06554
		YEARLY AVERAGES		
1	19.13436	19.19688	19.21837	19.35928
2	41.55721	41.93979	42.12269	43.05563
3	30.99021	32.39804	32.98345	36.42201

TABLE D.11: IMPACT OF A WAGE-GROWTH SHOCK ON INVESTMENT, TOTAL, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-1.067352	-1.067685	-1.067171	-1.067322
2	-1.424468	-1.440391	-1.414854	-1.421210
3	0.5480837E-01	-0.5685196E-01	0.1133601	0.5859931E-01
4	0.8628892	0.5332603	1.033098	0.8664771
5	6.988527	6.378186	7.344637	7.073313
6	4.908940	4.153272	5.369423	5.048056
7	-3.640636	-4.981954	-2.845816	-3.449909
8	-21.04317	-23.20136	-19.80941	-20.83192
9	-30.65227	-33.62152	-28.91576	-30.28888
10	-53.03517	-55.85610	-51.41027	-52.71046
11	-74.73078	-78.31039	-72.75273	-74.50143
12	-90.00881	-94.82888	-87.41540	-89.90701
		YEARLY AVERAGES		
1	-0.3935306	-0.5079169	-0.3338917	-0.3908639
2	-3.196585	-4.412964	-2.485291	-3.040115
3	-62.10676	-65.65422	-60.12354	-61.85194

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-1.066989	-1.066958	-1.067021
2	-1.405205	-1.401883	-1.408505
3	0.1719959	0.1743791	0.1689925
4	1.203650	1.201094	1.205030
5	7.701972	7.773466	7.629841
6	5.832090	5.951472	5.708867
7	-2.045451	-1.896706	-2.207594
8	-18.56499	-18.42220	-18.72699
9	-27.16248	-26.89285	-27.45290
10	-49.78809	-49.57132	-50.02906
11	-70.78327	-70.71378	-70.88901
12	-84.81097	-84.92340	-84.73861
		YEARLY AVERAGES	
1	-0.2741370	-0.2733420	-0.2753759
2	-1.769095	-1.648492	-1.898969
3	-58.13620	-58.02534	-58.27739

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-1.066808	-1.066593	-1.066626	-1.066228
2	-1.395519	-1.382410	-1.385797	-1.362791
3	0.2307102	0.2904443	0.2894976	0.4067506
4	1.374522	1.536949	1.545693	1.873881
5	8.060491	8.478351	8.420156	9.187688
6	6.296903	6.863244	6.763824	7.783093
7	-1.239582	-0.3225912	-0.4282628	1.272004
8	-17.30997	-15.97247	-16.04447	-13.48404
9	-25.39286	-23.43656	-23.60763	-19.92762
10	-48.17196	-46.46314	-46.56639	-43.42975
11	-68.83139	-67.01321	-66.90953	-63.52484
12	-82.21218	-80.00035	-79.64399	-75.41757
		YEARLY AVERAGES		
1	-0.2142737	-0.1554024	-0.1543081	-0.3709685E-01
2	-1.048039	-0.2383665	-0.3221882	1.189686
3	-56.15210	-54.22831	-54.18188	-50.57494

TABLE E.1 : IMPACT OF A WAGE-GROWTH SHOCK ON GNP GAP, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	3.311362	0.4230090	4.403424	2.571007
2	-1.777712	-4.834024	-0.2978328	-1.948603
3	-14.86715	-16.72655	-12.70601	-12.53403
4	-5.851448	-12.08651	-2.703628	-6.175048
5	-43.15992	-49.99266	-40.23964	-44.55517
6	-58.74108	-66.24412	-54.73364	-58.77453
7	-59.57694	-65.22671	-54.61410	-55.93863
8	-71.87922	-83.54699	-65.56214	-72.17685
9	-132.0617	-142.4459	-126.9140	-133.3575
10	-155.4989	-166.8898	-149.0120	-155.5230
11	-143.6368	-153.1705	-136.5241	-140.5524
12	-198.0967	-211.6825	-190.4858	-198.9065
		YEARLY AVERAGES		
1	-4.796237	-8.306019	-2.826012	-4.521668
2	-58.33929	-66.25262	-53.78738	-57.86129
3	-157.3235	-168.5472	-150.7340	-157.0848

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	5.503618	4.752677	6.257653
2	1.181481	0.9372643	1.478945
3	-10.53441	-8.300382	-12.70541
4	0.4773960	-0.1346673	0.9187874
5	-37.28123	-38.96157	-35.57629
6	-50.61922	-50.89021	-50.23502
7	-49.47326	-45.98493	-52.88212
8	-58.98929	-59.87749	-58.33307
9	-121.5259	-123.3819	-119.6224
10	-142.1017	-142.6177	-141.4517
11	-128.8571	-125.9392	-131.7026
12	-182.2012	-183.7991	-180.7379
		YEARLY AVERAGES	
1	-0.8429787	-0.6862770	-1.012506
2	-49.09075	-48.92855	-49.25662
3	-143.6715	-143.9345	-143.3786

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	6.611800	6.966888	7.727825	9.212469
2	2.659344	3.816762	4.134868	6.683038
3	-8.353509	-4.033924	-6.164399	0.2573944
4	3.690256	6.025280	6.933583	12.29545
5	-34.28626	-33.22210	-31.25632	-27.34767
6	-46.39735	-42.58689	-42.06763	-33.86120
7	-44.15301	-35.35584	-38.65218	-24.04502
8	-52.15680	-46.61938	-45.06113	-32.37639
9	-115.8920	-112.4744	-110.0072	-100.5913
10	-134.7457	-128.0112	-126.9213	-111.5271
11	-120.6049	-109.1099	-111.7357	-89.83096
12	-173.1974	-166.0404	-163.4263	-145.2733
		YEARLY AVERAGES		
1	1.151973	3.193751	3.157969	7.112088
2	-44.24835	-39.44605	-39.25931	-29.40757
3	-136.1100	-128.9090	-128.0226	-111.8057

TABLE E.2 : IMPACT OF A WAGE-GROWTH SHOCK ON GNP, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-11.55902	-11.62346	-11.53843	-11.58220
2	-19.36946	-19.66111	-19.26389	-19.45029
3	-28.56984	-29.00400	-28.37846	-28.61941
4	-44.07769	-44.90023	-43.66692	-44.08796
5	-77.85829	-79.20062	-77.23575	-77.98247
6	-107.0417	-109.4026	-105.9785	-107.3354
7	-115.6081	-118.6598	-114.1607	-115.8701
8	-147.2685	-151.6112	-145.1091	-147.4953
9	-211.6935	-216.6740	-209.2790	-212.1185
10	-267.0111	-273.8421	-263.7266	-267.6999
11	-273.7321	-281.3377	-269.9298	-274.3270
12	-327.5881	-336.9975	-322.7712	-328.2271
		YEARLY AVERAGES		
1	-25.89400	-26.29720	-25.71192	-25.93496
2	-111.9441	-114.7186	-110.6210	-112.1708
3	-270.0062	-277.2128	-266.4266	-270.5931

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-11.51782	-11.54089	-11.49479
2	-19.15863	-19.24062	-19.07498
3	-28.18966	-28.24481	-28.12909
4	-43.26002	-43.29030	-43.22405
5	-76.61687	-76.77755	-76.45479
6	-104.9163	-105.2699	-104.5504
7	-112.7045	-113.0443	-112.3386
8	-142.9227	-143.2745	-142.5412
9	-206.8199	-207.3911	-206.2206
10	-260.3577	-261.2363	-259.4267
11	-265.9849	-266.7812	-265.1133
12	-317.7339	-318.6393	-316.7445
		YEARLY AVERAGES	
1	-25.53153	-25.57915	-25.48073
2	-109.2901	-109.5916	-108.9712
3	-262.7241	-263.5120	-261.8763

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-11.49720	-11.49952	-11.47657	-11.45809
2	-19.05367	-19.03214	-18.94901	-18.82486
3	-28.00342	-27.88007	-27.81972	-27.52507
4	-42.85697	-42.50725	-42.45777	-41.73880
5	-76.00173	-75.58639	-75.39039	-74.40945
6	-103.8552	-103.2076	-102.7954	-101.1496
7	-111.2397	-110.1846	-109.7668	-107.2930
8	-140.7098	-138.9512	-138.4706	-134.5274
9	-204.3166	-202.4937	-201.7692	-197.4285
10	-256.9039	-254.4473	-253.3646	-247.3285
11	-261.8949	-258.6831	-257.6575	-250.0138
12	-312.4708	-308.1949	-306.9762	-296.8503
		YEARLY AVERAGES		
1	-25.35281	-25.22974	-25.17577	-24.88670
2	-107.9516	-106.9824	-106.6058	-104.3449
3	-258.8965	-255.9547	-254.9419	-247.9053

TABLE E.3 : IMPACT OF A WAGE-GROWTH SHOCK ON EMPLOYMENT, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-6.763327	-5.831890	-7.114177	-6.522660
2	-8.531850	-7.279973	-9.107533	-8.405083
3	-6.918577	-6.175440	-7.684013	-7.656110
4	-12.76214	-11.22033	-13.70581	-12.98199
5	-13.35456	-11.47066	-14.13344	-12.88061
6	-14.30471	-12.66418	-15.07851	-14.04016
7	-15.13170	-14.88392	-15.91950	-16.29875
8	-25.30052	-24.41268	-26.12439	-25.75677
9	-30.70038	-30.17465	-30.90256	-30.28598
10	-37.68883	-37.87850	-37.58937	-37.36490
11	-45.41610	-47.06140	-45.14490	-46.33400
12	-56.62343	-58.41043	-56.00197	-56.88537
		YEARLY AVERAGES		
1	-8.743972	-7.626909	-9.402884	-8.891461
2	-17.02287	-15.85786	-17.81396	-17.24407
3	-42.60719	-43.38125	-42.40970	-42.71756

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-7.467473	-7.223663	-7.712133
2	-9.683477	-9.532600	-9.851607
3	-8.453100	-9.151347	-7.779987
4	-14.65987	-14.78483	-14.48453
5	-14.92781	-14.35470	-15.48342
6	-15.88960	-15.56269	-16.24764
7	-16.76880	-17.94317	-15.63525
8	-27.02797	-27.38852	-26.59252
9	-31.17285	-30.64414	-31.67055
10	-37.59090	-37.21303	-37.99370
11	-44.99707	-46.03960	-43.98650
12	-55.50610	-55.76647	-55.18543
		YEARLY AVERAGES	
1	-10.06598	-10.17311	-9.957064
2	-18.65354	-18.81227	-18.48971
3	-42.31673	-42.41581	-42.20905

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-7.823157	-7.934437	-8.181167	-8.654500
2	-10.25932	-10.65974	-10.83469	-11.78376
3	-9.225250	-10.65682	-9.999880	-12.16832
4	-15.62353	-16.62354	-16.59603	-18.49277
5	-15.73689	-15.88769	-16.55987	-17.47400
6	-16.73776	-17.23073	-17.62272	-19.04227
7	-17.67980	-19.81864	-18.65255	-21.92435
8	-28.01186	-29.31310	-29.07641	-31.53252
9	-31.51276	-31.26275	-31.92361	-32.15317
10	-37.70020	-37.47453	-37.92423	-38.20257
11	-44.98273	-46.25090	-45.11213	-47.04127
12	-55.14907	-55.14627	-54.94440	-55.12263
		YEARLY AVERAGES		
1	-10.73281	-11.46863	-11.40294	-12.77484
2	-19.54158	-20.56254	-20.47789	-22.49328
3	-42.33619	-42.53361	-42.47609	-43.12991

TABLE E.4 : IMPACT OF A WAGE-GROWTH SHOCK ON RATE OF INFLATION, GNP, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.8385753E-02	0.8385753E-02	0.8385753E-02	0.8385753E-02
2	0.2328074	0.2382538	0.2308181	0.2342222
3	0.3448810	0.3461857	0.3438149	0.3441702
4	0.3200520	0.3158156	0.3197384	0.3152979
5	0.3211937	0.3249482	0.3204756	0.3238405
6	0.3777988	0.3788514	0.3792909	0.3821293
7	0.3763595	0.3724872	0.3778318	0.3751041
8	0.3190307	0.3081676	0.3210558	0.3117563
9	0.3367748	0.3378450	0.3377303	0.3404039
10	0.4209658	0.4152007	0.4269061	0.4266865
11	0.3834382	0.3744019	0.3880084	0.3829614
12	0.2584612	0.2432893	0.2637821	0.2523905
		YEARLY AVERAGES		
1	0.2992468	0.3000850	0.2981238	0.2978968
2	0.3485957	0.3461136	0.3496635	0.3482076
3	0.3499100	0.3426842	0.3541068	0.3506106

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.8385753E-02	0.8385753E-02	0.8385753E-02
2	0.2287216	0.2300613	0.2272672
3	0.3427116	0.3422240	0.3433302
4	0.3195510	0.3148257	0.3241349
5	0.3197093	0.3226421	0.3171981
6	0.3809344	0.3853022	0.3763325
7	0.3791181	0.3774907	0.3805095
8	0.3229963	0.3151105	0.3308096
9	0.3386454	0.3428255	0.3350555
10	0.4330506	0.4388410	0.4271411
11	0.3925284	0.3914702	0.3932792
12	0.2690975	0.2616465	0.2764386
		YEARLY AVERAGES	
1	0.2969947	0.2957036	0.2982441
2	0.3506895	0.3501364	0.3512124
3	0.3583305	0.3586958	0.3579786

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.8385753E-02	0.8385753E-02	0.8385753E-02	0.8385753E-02
2	0.2265778	0.2258904	0.2244465	0.2215899
3	0.3417434	0.3401634	0.3407315	0.3382232
4	0.3192087	0.3143415	0.3189354	0.3138429
5	0.3189514	0.3213573	0.3181453	0.3199861
6	0.3825118	0.3885962	0.3840773	0.3918534
7	0.3804453	0.3796033	0.3816479	0.3814556
8	0.3248544	0.3182931	0.3266845	0.3213124
9	0.3394671	0.3451628	0.3404025	0.3474220
10	0.4393969	0.4515781	0.4458336	0.4649143
11	0.3970997	0.3997625	0.4015674	0.4079296
12	0.2744422	0.2710791	0.2797607	0.2805642
		YEARLY AVERAGES		
1	0.2958433	0.2934651	0.2947045	0.2912186
2	0.3516907	0.3519625	0.3526387	0.3536519
3	0.3626015	0.3668956	0.3668911	0.3752075

TABLE E.5 : IMPACT OF A WAGE-GROWTH SHOCK ON RATE OF INFLATION, CONSUMER EXPENDITURE, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.1824719E-02	0.1824719E-02	0.1824719E-02	0.1824719E-02
2	0.1023690	0.1036253	0.1018670	0.1026184
3	0.1584731	0.1592502	0.1580797	0.1585191
4	0.1698186	0.1695877	0.1694278	0.1688017
5	0.1943189	0.1953277	0.1938802	0.1944919
6	0.2209488	0.2214555	0.2209414	0.2217118
7	0.2373851	0.2371515	0.2375996	0.2375095
8	0.2396581	0.2371820	0.2401778	0.2381597
9	0.2534458	0.2526515	0.2539043	0.2537499
10	0.2804140	0.2780382	0.2821025	0.2813745
11	0.2861491	0.2831009	0.2879871	0.2866045
12	0.2694157	0.2639922	0.2717240	0.2683420
		YEARLY AVERAGES		
1	0.1435535	0.1441544	0.1431249	0.1433131
2	0.2230777	0.2227792	0.2231497	0.2229682
3	0.2723561	0.2694457	0.2739295	0.2725177

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.1824719E-02	0.1824719E-02	0.1824719E-02
2	0.1013657	0.1017428	0.1011174
3	0.1576884	0.1576035	0.1576451
4	0.1690403	0.1680286	0.1699332
5	0.1933849	0.1937318	0.1932161
6	0.2209964	0.2218018	0.2201284
7	0.2377583	0.2378175	0.2376979
8	0.2406958	0.2390736	0.2422135
9	0.2543574	0.2547689	0.2542034
10	0.2838166	0.2847670	0.2827941
11	0.2897801	0.2900480	0.2895004
12	0.2741138	0.2727372	0.2754504
		YEARLY AVERAGES	
1	0.1426981	0.1424583	0.1428986
2	0.2232088	0.2231062	0.2233140
3	0.2755170	0.2755803	0.2754871

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.1824719E-02	0.1824719E-02	0.1824719E-02	0.1824719E-02
2	0.1009294	0.1008058	0.1004295	0.9980713E-01
3	0.1572343	0.1567596	0.1567838	0.1559243
4	0.1685948	0.1672665	0.1682143	0.1665165
5	0.1929552	0.1928057	0.1924694	0.1919548
6	0.2210542	0.2220223	0.2210573	0.2220762
7	0.2379179	0.2380169	0.2380249	0.2381695
8	0.2411005	0.2399258	0.2416727	0.2407202
9	0.2548610	0.2556554	0.2551938	0.2565224
10	0.2855034	0.2882706	0.2873256	0.2918287
11	0.2915300	0.2934302	0.2932869	0.2967542
12	0.2765344	0.2771193	0.2789330	0.2816325
		YEARLY AVERAGES		
1	0.1422528	0.1416106	0.1418092	0.1407493
2	0.2232570	0.2231927	0.2233061	0.2232302
3	0.2771072	0.2786189	0.2786848	0.2816845

TABLE E.6 : IMPACT OF A WAGE-GROWTH SHOCK ON LABOUR SHARE, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.3420541E-04	0.3087088E-04	0.3403609E-04	0.3056878E-04
2	0.4182206E-04	0.3724640E-04	0.4138595E-04	0.3649202E-04
3	0.3384646E-04	0.2941622E-04	0.3337155E-04	0.2859812E-04
4	0.9680035E-04	0.8770537E-04	0.9523032E-04	0.8500091E-04
5	0.2744115E-03	0.2449428E-03	0.2722826E-03	0.2413753E-03
6	0.2636105E-03	0.2339657E-03	0.2592371E-03	0.2266069E-03
7	0.5834833E-04	0.4686160E-04	0.5554098E-04	0.4245724E-04
8	0.2276503E-03	0.2100063E-03	0.2209326E-03	0.1989925E-03
9	0.5633994E-03	0.5029211E-03	0.5577570E-03	0.4941730E-03
10	0.5496887E-03	0.4869928E-03	0.5401028E-03	0.4717063E-03
11	0.3931163E-04	0.1710095E-04	0.3721708E-04	0.1498772E-04
12	0.4442146E-03	0.4040251E-03	0.4349201E-03	0.3900674E-03
		YEARLY AVERAGES		
1	0.5166857E-04	0.4630972E-04	0.5100598E-04	0.4516496E-04
2	0.2060052E-03	0.1839441E-03	0.2019983E-03	0.1773580E-03
3	0.3991536E-03	0.3527600E-03	0.3924992E-03	0.3427336E-03

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.3386679E-04	0.3026676E-04	0.3742657E-04
2	0.4095009E-04	0.3573810E-04	0.4629978E-04
3	0.3290385E-04	0.2780451E-04	0.3839366E-04
4	0.9366483E-04	0.8231033E-04	0.1053971E-03
5	0.2701491E-03	0.2377885E-03	0.3031703E-03
6	0.2548477E-03	0.2191877E-03	0.2924625E-03
7	0.5267063E-04	0.3783724E-04	0.7030494E-04
8	0.2140772E-03	0.1875128E-03	0.2422902E-03
9	0.5519048E-03	0.4847296E-03	0.6209659E-03
10	0.5301830E-03	0.4553260E-03	0.6094395E-03
11	0.3470919E-04	0.1157492E-04	0.6394341E-04
12	0.4248407E-03	0.3736106E-03	0.4791846E-03
		YEARLY AVERAGES	
1	0.5034639E-04	0.4402992E-04	0.5687928E-04
2	0.1979362E-03	0.1705816E-03	0.2270570E-03
3	0.3854094E-03	0.3313103E-03	0.4433834E-03

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.3369752E-04	0.2996483E-04	0.3352827E-04	0.2966299E-04
2	0.4051455E-04	0.3498508E-04	0.4007939E-04	0.3423339E-04
3	0.3244337E-04	0.2703535E-04	0.3199007E-04	0.2629052E-04
4	0.9210409E-04	0.7963510E-04	0.9054832E-04	0.7697651E-04
5	0.2680118E-03	0.2341871E-03	0.2658715E-03	0.2305758E-03
6	0.2504434E-03	0.2117157E-03	0.2460255E-03	0.2041983E-03
7	0.4973809E-04	0.3300675E-04	0.4674418E-04	0.2797076E-04
8	0.2070855E-03	0.1755763E-03	0.1999591E-03	0.1631920E-03
9	0.5458435E-03	0.4745949E-03	0.5395742E-03	0.4637735E-03
10	0.5199267E-03	0.4378328E-03	0.5093312E-03	0.4192074E-03
11	0.3177449E-04	0.6775618E-05	0.2839920E-04	0.4986934E-06
12	0.4139513E-03	0.3544928E-03	0.4022262E-03	0.3325431E-03
		YEARLY AVERAGES		
1	0.4968988E-04	0.4290509E-04	0.4903651E-04	0.4179085E-04
2	0.1938197E-03	0.1636215E-03	0.1896501E-03	0.1564842E-03
3	0.3778740E-03	0.3184240E-03	0.3698827E-03	0.3040057E-03

TABLE E.7 : IMPACT OF A WAGE-GROWTH SHOCK ON PERSONAL INCOME TAX IN CURRENT DOLLARS, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	18.85468	18.61373	18.93590	18.77646
2	25.31853	25.16061	25.39074	25.30801
3	60.05662	60.16584	60.11065	60.28633
4	46.04404	45.13444	46.39660	45.81742
5	64.62726	63.36194	65.06127	64.22185
6	59.19751	57.50339	59.97451	59.03181
7	143.5329	142.1141	144.5531	144.1098
8	92.99932	89.58898	94.59893	92.62449
9	123.3004	118.9126	125.1983	122.5368
10	93.46153	88.23990	96.00746	93.05358
11	237.3491	230.5365	241.5343	238.3625
12	142.4843	134.5057	146.5444	141.9706
		YEARLY AVERAGES		
1	37.56847	37.26865	37.70847	37.54705
2	90.08925	88.14210	91.04695	89.99699
3	149.1488	143.0487	152.3211	148.9809

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	19.01719	18.93942	19.09454
2	25.46072	25.44666	25.47984
3	60.15864	60.38319	59.93680
4	46.74697	46.49264	46.98534
5	65.49110	65.06726	65.92828
6	60.75353	60.56908	60.96999
7	145.5755	146.1141	145.0670
8	96.21091	95.70698	96.68449
9	127.1151	126.2365	128.0234
10	98.61260	98.09016	99.19657
11	245.8535	246.6862	245.1117
12	150.7247	149.8711	151.5458
		YEARLY AVERAGES	
1	37.84588	37.81548	37.87413
2	92.00776	91.86435	92.16244
3	155.5765	155.2210	155.9694

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	19.09853	19.10261	19.17993	19.26604
2	25.52845	25.57639	25.59391	25.69704
3	60.20077	60.45761	60.23719	60.51082
4	47.09516	47.16015	47.44117	47.82004
5	65.91676	65.89813	66.33823	66.71445
6	61.53454	62.11481	62.31753	63.66882
7	146.5999	148.1247	147.6259	150.1397
8	97.83526	98.83660	99.47200	102.0140
9	129.0508	130.0133	131.0058	133.8700
10	101.2789	103.3634	104.0084	108.8891
11	250.3095	255.5288	254.9059	264.9154
12	155.0297	158.2395	159.4642	167.1137
		YEARLY AVERAGES		
1	37.98073	38.07419	38.11305	38.32348
2	92.97161	93.74356	93.93841	95.63424
3	158.9172	161.7862	162.3461	168.6970

TABLE E.8 : IMPACT OF A WAGE-GROWTH SHOCK ON LABOUR FORCE, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-7.303893	-6.229303	-7.708513	-7.025967
2	-9.782137	-8.126243	-10.52531	-9.580033
3	-8.323457	-6.937223	-9.427300	-9.078950
4	-14.32582	-11.77489	-15.83854	-14.63559
5	-13.76662	-10.38168	-15.35379	-13.33605
6	-11.94873	-8.257683	-13.79077	-11.65582
7	-9.102243	-6.412657	-11.24449	-10.37595
8	-15.44390	-11.64018	-17.95392	-16.12283
9	-15.10114	-11.17968	-17.25650	-14.87767
10	-14.31126	-10.65496	-16.39490	-14.08714
11	-14.30502	-11.85479	-16.42637	-15.39795
12	-17.26851	-14.74188	-19.22930	-17.74980
		YEARLY AVERAGES		
1	-9.933827	-8.266915	-10.87492	-10.08013
2	-12.56537	-9.173051	-14.58574	-12.87266
3	-15.24648	-12.10783	-17.32677	-15.52814

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-8.115950	-7.834413	-8.398463
2	-11.26930	-11.03873	-11.51997
3	-10.53586	-11.23994	-9.864920
4	-17.36432	-17.54868	-17.13239
5	-16.96201	-16.37760	-17.52692
6	-15.68243	-15.25055	-16.14667
7	-13.47304	-14.66624	-12.33047
8	-20.58679	-21.05800	-20.04400
9	-19.54286	-19.05981	-19.99199
10	-18.66933	-18.21626	-19.14775
11	-18.79656	-19.83741	-17.79747
12	-21.48403	-21.77532	-21.14048
		YEARLY AVERAGES	
1	-11.82136	-11.91544	-11.72893
2	-16.67607	-16.83810	-16.51201
3	-19.62320	-19.72220	-19.51942

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-8.526133	-8.654100	-8.938993	-9.484480
2	-12.01367	-12.49906	-12.75799	-13.95772
3	-11.64838	-13.41450	-12.76408	-15.59708
4	-18.90206	-20.50633	-20.45065	-23.50072
5	-18.58996	-19.49732	-20.23629	-22.68578
6	-17.62284	-19.03625	-19.61107	-23.00618
7	-15.78741	-19.28024	-18.18693	-24.21184
8	-23.34248	-26.44678	-26.22065	-32.28585
9	-21.96136	-23.73785	-24.51282	-28.91946
10	-21.14215	-23.10104	-23.82092	-28.79984
11	-21.42866	-25.26830	-24.33567	-31.78479
12	-24.05194	-26.95550	-26.95253	-33.43207
		YEARLY AVERAGES		
1	-12.77256	-13.76849	-13.72793	-15.63500
2	-18.83567	-21.06515	-21.06373	-25.54741
3	-22.14603	-24.76567	-24.90548	-30.73404

TABLE E.9 : IMPACT OF A WAGE-GROWTH SHOCK ON SPOT EXCHANGE RATE, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.1665336E-05	0.1665806E-05	0.1665472E-05	0.1666085E-05
2	0.1011714E-04	0.1013749E-04	0.1011030E-04	0.1012417E-04
3	0.4501588E-04	0.4512648E-04	0.4497153E-04	0.4503875E-04
4	0.1401989E-03	0.1407064E-03	0.1399760E-03	0.1402615E-03
5	0.3305379E-03	0.3322594E-03	0.3297392E-03	0.3306607E-03
6	0.6647145E-03	0.6694045E-03	0.6624125E-03	0.6648015E-03
7	0.1204218E-02	0.1215493E-02	0.1198468E-02	0.1204061E-02
8	0.2037443E-02	0.2061538E-02	0.2024824E-02	0.2036689E-02
9	0.3272313E-02	0.3318023E-02	0.3247762E-02	0.3270260E-02
10	0.5016305E-02	0.5093431E-02	0.4973584E-02	0.5011478E-02
11	0.7366849E-02	0.7482611E-02	0.7300235E-02	0.7356979E-02
12	0.1042343E-01	0.1057289E-01	0.1033275E-01	0.1040578E-01
		YEARLY AVERAGES		
1	0.4924931E-04	0.4940904E-04	0.4918083E-04	0.4927263E-04
2	0.1059228E-02	0.1069674E-02	0.1053861E-02	0.1059053E-02
3	0.6519724E-02	0.6616739E-02	0.6463583E-02	0.6511124E-02

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.1665609E-05	0.1666372E-05	0.1664826E-05
2	0.1010341E-04	0.1011063E-04	0.1009604E-04
3	0.4492721E-04	0.4495113E-04	0.4490265E-04
4	0.1397547E-03	0.1398227E-03	0.1396846E-03
5	0.3289502E-03	0.3290983E-03	0.3287965E-03
6	0.6601427E-03	0.6603190E-03	0.6599520E-03
7	0.1192789E-02	0.1192890E-02	0.1192663E-02
8	0.2012303E-02	0.2012181E-02	0.2012389E-02
9	0.3223234E-02	0.3222509E-02	0.3223912E-02
10	0.4930533E-02	0.4928143E-02	0.4932875E-02
11	0.7232378E-02	0.7226484E-02	0.7238277E-02
12	0.1023902E-01	0.1022705E-01	0.1025118E-01
		YEARLY AVERAGES	
1	0.4911273E-04	0.4913771E-04	0.4908703E-04
2	0.1048546E-02	0.1048622E-02	0.1048450E-02
3	0.6406291E-02	0.6401046E-02	0.6411561E-02

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.1665749E-05	0.1666666E-05	0.1665891E-05	0.1666969E-05
2	0.1009646E-04	0.1009687E-04	0.1008945E-04	0.1008289E-04
3	0.4488294E-04	0.4486365E-04	0.4483870E-04	0.4477635E-04
4	0.1395350E-03	0.1393902E-03	0.1393170E-03	0.1389642E-03
5	0.3281709E-03	0.3275733E-03	0.3274014E-03	0.3260862E-03
6	0.6579055E-03	0.6559608E-03	0.6557015E-03	0.6517297E-03
7	0.1187184E-02	0.1181993E-02	0.1181652E-02	0.1171381E-02
8	0.1999885E-02	0.1988049E-02	0.1987575E-02	0.1964329E-02
9	0.3198738E-02	0.3174848E-02	0.3174285E-02	0.3127357E-02
10	0.4887167E-02	0.4843554E-02	0.4843506E-02	0.4757848E-02
11	0.7163296E-02	0.7091244E-02	0.7093008E-02	0.6951401E-02
12	0.1014222E-01	0.1003656E-01	0.1004234E-01	0.9834230E-02
		YEARLY AVERAGES		
1	0.4904504E-04	0.4900435E-04	0.4897776E-04	0.4887260E-04
2	0.1043286E-02	0.1038394E-02	0.1038082E-02	0.1028381E-02
3	0.6347855E-02	0.6286551E-02	0.6288285E-02	0.6167709E-02

TABLE E.10: IMPACT OF A WAGE-GROWTH SHOCK ON CONSUMER EXPENDITURE, TOTAL, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	5.806375	5.720957	5.834268	5.776848
2	14.31770	14.14900	14.37875	14.27224
3	31.24272	31.13663	31.30588	31.26926
4	37.69330	37.24692	37.88169	37.62132
5	33.64169	32.89753	33.91329	33.43484
6	36.29842	34.96939	36.82207	36.00134
7	61.18930	59.58397	61.93488	61.04850
8	57.75057	55.26497	58.88169	57.45224
9	40.56935	37.72861	41.78699	40.06863
10	29.39584	25.25157	31.20947	28.71176
11	56.73388	51.40849	59.31856	56.29185
12	36.41354	29.74991	39.63675	35.77265
		YEARLY AVERAGES		
1	22.26502	22.06338	22.35015	22.23492
2	47.21999	45.67896	47.88798	46.98423
3	40.77815	36.03464	42.98794	40.21122

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	5.862184	5.832830	5.891370
2	14.43903	14.39249	14.48748
3	31.36619	31.39069	31.34465
4	38.06705	37.98402	38.14861
5	34.18235	33.96280	34.40564
6	37.34467	37.02998	37.67643
7	62.68115	62.51628	62.87223
8	60.01850	59.66179	60.39491
9	43.01442	42.44749	43.60588
10	33.05081	32.27853	33.87059
11	61.96548	61.41008	62.59178
12	42.95035	42.13278	43.83569
		YEARLY AVERAGES	
1	22.43361	22.40001	22.46803
2	48.55667	48.29271	48.83730
3	45.24526	44.56722	45.97598

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	5.890122	5.888904	5.918083	5.945068
2	14.49855	14.50970	14.55729	14.62381
3	31.42371	31.50134	31.47849	31.60164
4	38.24941	38.33546	38.42885	38.67610
5	34.44889	34.48160	34.71294	34.99148
6	37.86622	38.05527	38.38674	39.07727
7	63.42802	63.98647	64.17542	65.45846
8	61.16089	61.89279	62.30879	64.14479
9	44.25162	44.86505	45.49860	47.32164
10	34.92034	35.95535	36.81861	39.74667
11	64.67578	66.77110	67.45072	72.38448
12	46.35634	48.84464	49.85692	55.92533
		YEARLY AVERAGES		
1	22.51545	22.55885	22.59568	22.71165
2	49.22600	49.60403	49.89597	50.91800
3	47.55102	49.10903	49.90621	53.84453

TABLE E.11: IMPACT OF A WAGE-GROWTH SHOCK ON INVESTMENT, TOTAL, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-0.8386714	-0.8391409	-0.8385214	-0.8388403
2	-1.090424	-1.126831	-1.077544	-1.101231
3	-0.2447353	-0.3818664	-0.1910139	-0.2752298
4	5.616456	5.324811	5.757374	5.603943
5	8.997834	8.567189	9.218327	8.999272
6	12.44234	11.49275	12.91938	12.41318
7	13.29035	11.60174	14.13110	13.20793
8	18.75415	16.28737	20.04281	18.73275
9	12.52500	9.972685	13.89164	12.55224
10	1.609636	-1.677477	3.379148	1.623626
11	-13.25707	-17.50918	-10.97749	-13.30628
12	-18.06024	-23.27214	-15.20559	-18.06112
		YEARLY AVERAGES		
1	0.8606563	0.7442432	0.9125737	0.8471605
2	13.37117	11.98726	14.07790	13.33828
3	-4.295668	-8.121528	-2.228073	-4.297883

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-0.8383713	-0.8385393	-0.8382035
2	-1.064619	-1.075453	-1.053790
3	-0.1373594	-0.1688343	-0.1050368
4	5.897767	5.881101	5.917256
5	9.438580	9.430504	9.448517
6	13.39885	13.34308	13.45521
7	14.98134	14.85058	15.11556
8	21.35367	21.26230	21.45471
9	15.28679	15.23868	15.34341
10	5.197575	5.105723	5.295124
11	-8.616959	-8.806573	-8.418645
12	-12.22501	-12.39249	-12.04019
		YEARLY AVERAGES	
1	0.9643543	0.9495686	0.9800564
2	14.79311	14.72162	14.86850
3	-0.8940100E-01	-0.2136650	0.4492475E-01

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-0.8382210	-0.8382379	-0.8380707	-0.8379361
2	-1.051651	-1.049497	-1.038638	-1.023362
3	-0.8377795E-01	-0.6272770E-01	-0.3027560E-01	0.4304148E-01
4	6.037621	6.156166	6.176919	6.429028
5	9.658573	9.860729	9.878286	10.28981
6	13.88068	14.28217	14.36486	15.23024
7	15.84107	16.52988	16.71032	18.24606
8	22.68695	23.87773	24.04289	26.58085
9	16.71088	18.03528	18.16438	20.94551
10	7.066135	8.777710	8.986098	12.64926
11	-6.172656	-3.989532	-3.641608	1.167520
12	-9.112725	-6.224541	-5.862603	0.4893782
		YEARLY AVERAGES		
1	1.015993	1.051426	1.067484	1.152693
2	15.51682	16.13763	16.24909	17.58674
3	2.122908	4.149729	4.411567	8.812917

TABLE F.1 : IMPACT OF A WAGE-GROWTH SHOCK ON GNP GAP, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-4.000291	-6.536583	-2.851753	-4.274618
2	-7.220540	-8.819263	-5.452023	-5.356022
3	-10.99558	-15.54934	-8.638934	-11.08390
4	-46.62947	-52.14147	-44.35053	-47.88750
5	-60.33831	-66.45992	-57.13112	-60.46003
6	-68.51142	-72.56669	-64.67030	-65.32135
7	-85.33396	-94.17490	-80.80917	-85.98882
8	-137.0427	-145.4505	-133.3816	-138.9967
9	-167.3428	-176.2438	-162.6881	-168.0354
10	-155.4362	-162.2653	-150.4188	-153.2475
11	-223.2854	-232.7818	-218.6655	-225.0885
12	-269.8136	-275.8479	-266.8194	-271.2460
		YEARLY AVERAGES		
1	-17.21147	-20.76166	-15.32331	-17.15051
2	-87.80660	-94.66300	-83.99805	-87.69172
3	-203.9695	-211.7847	-199.6479	-204.4043

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-1.692444	-1.968677	-1.416359
2	-3.675559	-1.862316	-5.443614
3	-6.272255	-6.578945	-6.119049
4	-42.04792	-43.53555	-40.55229
5	-53.85353	-54.18365	-53.41840
6	-60.72274	-57.67281	-63.70669
7	-76.14094	-77.27954	-75.19586
8	-129.5814	-132.0272	-127.0316
9	-157.7879	-158.9232	-156.4565
10	-145.0896	-143.0942	-147.0105
11	-213.6942	-216.1779	-211.2246
12	-263.4984	-265.5113	-261.2477
		YEARLY AVERAGES	
1	-13.42204	-13.48637	-13.38283
2	-80.07465	-80.29080	-79.83814
3	-195.0175	-195.9266	-193.9848

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-0.5224889	0.3802464	0.6579826	2.771108
2	-1.892186	1.653807	-0.1029546	5.184158
3	-3.896993	-2.044923	-1.514584	2.508023
4	-39.72258	-39.09172	-37.37544	-34.56189
5	-50.50578	-47.63177	-47.08816	-40.80628
6	-56.66924	-49.62493	-52.51047	-41.18415
7	-71.32870	-68.04184	-66.37202	-58.27260
8	-125.6399	-124.5238	-121.5554	-116.4692
9	-152.6332	-148.8383	-147.2146	-137.7096
10	-139.4372	-131.7234	-133.4501	-119.0541
11	-208.3543	-205.9298	-202.6283	-194.2146
12	-259.8299	-258.4943	-255.7924	-250.0282
		YEARLY AVERAGES		
1	-11.50856	-9.775647	-9.583749	-6.024650
2	-76.03590	-72.45558	-71.88151	-64.18306
3	-190.0636	-186.2464	-184.7713	-175.2516

TABLE F.2 : IMPACT OF A WAGE-GROWTH SHOCK ON GNP, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-9.864184	-9.935348	-9.835126	-9.877100
2	-15.83014	-16.03149	-15.72310	-15.81606
3	-31.19118	-31.63066	-30.93576	-31.12389
4	-62.57465	-63.41804	-62.16399	-62.61100
5	-93.64383	-95.21943	-92.94233	-93.84704
6	-114.2428	-116.2481	-113.3208	-114.4523
7	-154.2639	-157.0216	-152.9559	-154.5034
8	-214.5317	-217.7199	-213.1273	-215.0496
9	-281.3026	-285.7213	-279.4509	-282.2361
10	-297.6715	-302.2313	-295.6912	-298.5672
11	-361.1979	-366.6846	-358.7823	-362.2991
12	-431.2657	-436.6371	-429.0160	-432.6599
		YEARLY AVERAGES		
1	-29.86504	-30.25388	-29.66449	-29.85701
2	-144.1706	-146.5523	-143.0866	-144.4631
3	-342.8594	-347.8186	-340.7351	-343.9406

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-9.806044	-9.818757	-9.793321
2	-15.61698	-15.60432	-15.62851
3	-30.68270	-30.62633	-30.73994
4	-61.75648	-61.81575	-61.70361
5	-92.24346	-92.48360	-92.00255
6	-112.3986	-112.6537	-112.1287
7	-151.6409	-151.9561	-151.3067
8	-211.7072	-212.3163	-211.0766
9	-277.5637	-278.6127	-276.4629
10	-293.6444	-294.6494	-292.5598
11	-356.2601	-357.5122	-354.9111
12	-426.6294	-428.1713	-424.9762
		YEARLY AVERAGES	
1	-29.46555	-29.46629	-29.46635
2	-141.9975	-142.3524	-141.6286
3	-338.5244	-339.7364	-337.2275

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-9.776939	-9.760318	-9.747811	-9.701782
2	-15.51177	-15.39625	-15.40748	-15.19185
3	-30.43204	-30.13815	-30.18380	-29.65952
4	-61.35217	-61.03271	-60.95110	-60.26223
5	-91.54733	-91.12990	-90.85403	-89.78668
6	-111.4765	-110.8540	-110.5547	-109.0548
7	-150.3193	-149.3823	-148.9915	-146.7846
8	-210.2716	-209.5230	-208.8212	-206.6729
9	-275.6415	-274.8532	-273.6846	-270.9597
10	-291.5312	-290.4767	-289.3513	-286.0479
11	-353.6303	-352.3163	-350.8919	-346.7033
12	-424.1039	-423.1563	-421.4374	-417.5992
		YEARLY AVERAGES		
1	-29.26823	-29.08186	-29.07255	-28.70385
2	-140.9037	-140.2223	-139.8054	-138.0747
3	-336.2267	-335.2006	-333.8413	-330.3275

TABLE F.3 : IMPACT OF A WAGE-GROWTH SHOCK ON EMPLOYMENT, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-3.817077	-3.000557	-4.186530	-3.728280
2	-4.667383	-3.916287	-5.334917	-5.223773
3	-8.401950	-6.965070	-9.241697	-8.560243
4	-7.137620	-5.361070	-7.852023	-6.669960
5	-9.395670	-7.700597	-10.15085	-9.062327
6	-13.38321	-12.93057	-14.14313	-14.32013
7	-24.43631	-23.52495	-25.13480	-24.69521
8	-31.16239	-30.39453	-31.34719	-30.52657
9	-41.77930	-41.51243	-41.78240	-41.26867
10	-52.55083	-53.55837	-52.48213	-53.28837
11	-63.02523	-64.33040	-62.53920	-63.17280
12	-73.47890	-75.91657	-72.26473	-73.36900
		YEARLY AVERAGES		
1	-6.006007	-4.810746	-6.653792	-6.045564
2	-19.59439	-18.63766	-20.19399	-19.65106
3	-57.70857	-58.82944	-57.26712	-57.77471

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-4.559403	-4.470050	-4.648663
2	-6.006243	-6.546163	-5.480557
3	-10.08517	-10.17066	-9.956030
4	-8.575603	-8.017217	-9.120517
5	-10.93210	-10.52768	-11.37270
6	-14.94391	-15.86444	-14.06829
7	-25.88230	-26.04368	-25.66824
8	-31.57539	-30.81623	-32.33636
9	-41.85020	-41.26037	-42.49840
10	-52.48923	-53.28890	-51.72853
11	-62.12170	-62.23563	-61.97620
12	-71.08797	-70.92083	-71.27057
		YEARLY AVERAGES	
1	-7.306605	-7.301023	-7.301442
2	-20.83342	-20.81301	-20.86140
3	-56.88727	-56.92643	-56.86842

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-4.935650	-5.225443	-5.315213	-5.994017
2	-6.680930	-7.880110	-7.358540	-9.222223
3	-10.93166	-11.79122	-11.78047	-13.41692
4	-9.307820	-9.399257	-10.04813	-10.81253
5	-11.73918	-12.09522	-12.57179	-13.76296
6	-15.78526	-17.56144	-16.66680	-19.40759
7	-26.67866	-27.56989	-27.52363	-29.27167
8	-31.84767	-31.27023	-32.16464	-31.89414
9	-41.98593	-41.51280	-42.19283	-42.05093
10	-52.57647	-53.59087	-52.74797	-54.22350
11	-61.77830	-61.55770	-61.51457	-61.17853
12	-69.95550	-68.62207	-68.87453	-66.52800
		YEARLY AVERAGES		
1	-7.964015	-8.574007	-8.625588	-9.861423
2	-21.51269	-22.12419	-22.23171	-23.58409
3	-56.57405	-56.32086	-56.33247	-55.99524

TABLE F.4 : IMPACT OF A WAGE-GROWTH SHOCK ON RATE OF INFLATION, GNP, 1980:2–1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.1108411E-01	0.1108411E-01	0.1108411E-01	0.1108411E-01
2	0.2549108	0.2590999	0.2530292	0.2553845
3	0.3277662	0.3271511	0.3265102	0.3247171
4	0.3062366	0.3092317	0.3055379	0.3080917
5	0.3852958	0.3865628	0.3863800	0.3889262
6	0.3585209	0.3566443	0.3591445	0.3578599
7	0.3171271	0.3089275	0.3184125	0.3112562
8	0.3438382	0.3446063	0.3448867	0.3471222
9	0.4113829	0.4084808	0.4157304	0.4170086
10	0.3670306	0.3614103	0.3697550	0.3665172
11	0.2502804	0.2384968	0.2536633	0.2440564
12	0.3827385	0.3785645	0.3861917	0.3855969
		YEARLY AVERAGES		
1	0.2963045	0.2984942	0.2950257	0.2960644
2	0.3511955	0.3491852	0.3522059	0.3512911
3	0.3528581	0.3467381	0.3563351	0.3532947

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.1108411E-01	0.1108411E-01	0.1108411E-01
2	0.2511147	0.2515831	0.2506017
3	0.3251882	0.3221867	0.3281689
4	0.3049359	0.3070668	0.3030215
5	0.3874201	0.3912795	0.3835542
6	0.3597231	0.3588129	0.3602746
7	0.3196836	0.3134060	0.3259869
8	0.3459428	0.3496546	0.3426802
9	0.4201156	0.4257862	0.4141305
10	0.3724760	0.3715845	0.3731206
11	0.2570181	0.2496698	0.2643894
12	0.3898064	0.3931804	0.3868581
		YEARLY AVERAGES	
1	0.2937463	0.2936122	0.2939307
2	0.3531924	0.3532883	0.3531240
3	0.3598540	0.3600552	0.3596247

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.1108411E-01	0.1108411E-01	0.1108411E-01	0.1108411E-01
2	0.2491674	0.2476054	0.2471873	0.2435868
3	0.3239283	0.3197698	0.3226873	0.3172922
4	0.3042548	0.3060232	0.3034950	0.3050448
5	0.3885437	0.3935437	0.3896693	0.3958073
6	0.3601742	0.3595988	0.3606269	0.3600193
7	0.3209415	0.3153847	0.3221472	0.3173553
8	0.3469660	0.3522085	0.3480381	0.3548242
9	0.4245765	0.4349240	0.4291115	0.4443360
10	0.3752348	0.3764274	0.3778411	0.3810170
11	0.2603398	0.2554169	0.2637672	0.2612283
12	0.3934996	0.4012518	0.3973394	0.4098207
		YEARLY AVERAGES		
1	0.2924502	0.2911328	0.2911232	0.2886413
2	0.3541564	0.3551839	0.3551204	0.3570015
3	0.3634127	0.3670050	0.3670148	0.3741005

TABLE F.5 : IMPACT OF A WAGE-GROWTH SHOCK ON RATE OF INFLATION, CONSUMER EXPENDITURE, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.2423939E-02	0.2423939E-02	0.2423939E-02	0.2423939E-02
2	0.1068043	0.1077613	0.1063746	0.1069481
3	0.1573737	0.1575733	0.1568810	0.1566307
4	0.1697646	0.1708312	0.1693236	0.1699814
5	0.2093170	0.2101873	0.2092302	0.2100375
6	0.2221140	0.2223877	0.2220610	0.2223075
7	0.2311753	0.2295612	0.2313864	0.2300023
8	0.2486050	0.2483090	0.2488778	0.2490149
9	0.2749336	0.2737310	0.2760971	0.2760249
10	0.2809221	0.2792446	0.2820217	0.2813337
11	0.2652051	0.2615341	0.2666602	0.2641677
12	0.2985370	0.2959212	0.3000429	0.2989052
		YEARLY AVERAGES		
1	0.1446475	0.1453886	0.1441931	0.1445201
2	0.2278029	0.2276113	0.2278888	0.2278406
3	0.2798994	0.2776077	0.2812055	0.2801079

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.2423939E-02	0.2423939E-02	0.2423939E-02
2	0.1059940	0.1060892	0.1058505
3	0.1563898	0.1557439	0.1570379
4	0.1687924	0.1690511	0.1686250
5	0.2091476	0.2099015	0.2083022
6	0.2219684	0.2221958	0.2217855
7	0.2316000	0.2304065	0.2327999
8	0.2492335	0.2496279	0.2487887
9	0.2772045	0.2783463	0.2760623
10	0.2830994	0.2834595	0.2827023
11	0.2680404	0.2667828	0.2693123
12	0.3016504	0.3019079	0.3013730
		YEARLY AVERAGES	
1	0.1437254	0.1436281	0.1438378
2	0.2279874	0.2280329	0.2279191
3	0.2824987	0.2826241	0.2823625

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.2423939E-02	0.2423939E-02	0.2423939E-02	0.2423939E-02
2	0.1055173	0.1051846	0.1050897	0.1042827
3	0.1559487	0.1548193	0.1554624	0.1539026
4	0.1683116	0.1681807	0.1678338	0.1672749
5	0.2090234	0.2097339	0.2089024	0.2095339
6	0.2219236	0.2220100	0.2217943	0.2217943
7	0.2318147	0.2307322	0.2320324	0.2309808
8	0.2494617	0.2502780	0.2496893	0.2508405
9	0.2783815	0.2806551	0.2795461	0.2830772
10	0.2841560	0.2855452	0.2852322	0.2874734
11	0.2694625	0.2693401	0.2709264	0.2719934
12	0.3032398	0.3051210	0.3047725	0.3083821
		YEARLY AVERAGES		
1	0.1432592	0.1427282	0.1427953	0.1418201
2	0.2280558	0.2281885	0.2281046	0.2282874
3	0.2838099	0.2851654	0.2851193	0.2877315

TABLE F.6 : IMPACT OF A WAGE-GROWTH SHOCK ON LABOUR SHARE, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.1444367E-04	0.1325603E-04	0.1425172E-04	0.1291341E-04
2	0.1530144E-04	0.1358000E-04	0.1500261E-04	0.1305829E-04
3	0.7074738E-04	0.6378240E-04	0.6994009E-04	0.6239272E-04
4	0.2304973E-03	0.2048571E-03	0.2294239E-03	0.2030546E-03
5	0.2479234E-03	0.2181245E-03	0.2454394E-03	0.2139164E-03
6	0.1209539E-03	0.1014374E-03	0.1194518E-03	0.9904809E-04
7	0.3153706E-03	0.2817872E-03	0.3117349E-03	0.2758035E-03
8	0.6222907E-03	0.5486577E-03	0.6191772E-03	0.5438563E-03
9	0.6422536E-03	0.5615666E-03	0.6366823E-03	0.5526637E-03
10	0.1156767E-03	0.7988693E-04	0.1154701E-03	0.8033949E-04
11	0.5681563E-03	0.5050716E-03	0.5639338E-03	0.4989651E-03
12	0.8790961E-03	0.7651964E-03	0.8781416E-03	0.7650395E-03
		YEARLY AVERAGES		
1	0.8274745E-04	0.7386888E-04	0.8215458E-04	0.7285475E-04
2	0.3266346E-03	0.2875017E-03	0.3239508E-03	0.2831561E-03
3	0.5512957E-03	0.4779304E-03	0.5485569E-03	0.4742519E-03

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.1405980E-04	0.1257090E-04	0.1553031E-04
2	0.1470712E-04	0.1254832E-04	0.1698554E-04
3	0.6913591E-04	0.6101329E-04	0.7743290E-04
4	0.2283483E-03	0.2012430E-03	0.2559253E-03
5	0.2429480E-03	0.2096797E-03	0.2778805E-03
6	0.1179297E-03	0.9658680E-04	0.1417947E-03
7	0.3080426E-03	0.2696241E-03	0.3484018E-03
8	0.6159579E-03	0.5386983E-03	0.6959409E-03
9	0.6309418E-03	0.5431981E-03	0.7236780E-03
10	0.1150555E-03	0.8012959E-04	0.1569201E-03
11	0.5592935E-03	0.4915147E-03	0.6308458E-03
12	0.8767053E-03	0.7633757E-03	0.9949844E-03
		YEARLY AVERAGES	
1	0.8156278E-04	0.7184388E-04	0.9146851E-04
2	0.3212195E-03	0.2786472E-03	0.3660045E-03
3	0.5454990E-03	0.4695545E-03	0.6266071E-03

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.1386791E-04	0.1222851E-04	0.1367606E-04	0.1188624E-04
2	0.1441504E-04	0.1205050E-04	0.1412642E-04	0.1156524E-04
3	0.6833507E-04	0.5964549E-04	0.6753774E-04	0.5829057E-04
4	0.2272710E-03	0.1994249E-03	0.2261924E-03	0.1976027E-03
5	0.2404499E-03	0.2054186E-03	0.2379458E-03	0.2011373E-03
6	0.1163882E-03	0.9405826E-04	0.1148280E-03	0.9146706E-04
7	0.3042950E-03	0.2632574E-03	0.3004936E-03	0.2567122E-03
8	0.6126341E-03	0.5331907E-03	0.6092071E-03	0.5273411E-03
9	0.6250323E-03	0.5331696E-03	0.6189539E-03	0.5225785E-03
10	0.1144287E-03	0.7922934E-04	0.1135855E-03	0.7761109E-04
11	0.5542269E-03	0.4826643E-03	0.5487255E-03	0.4723574E-03
12	0.8747715E-03	0.7601037E-03	0.8723248E-03	0.7551204E-03
		YEARLY AVERAGES		
1	0.8097225E-04	0.7083735E-04	0.8038315E-04	0.6983619E-04
2	0.3184418E-03	0.2739812E-03	0.3156186E-03	0.2691644E-03
3	0.5421148E-03	0.4637917E-03	0.5383974E-03	0.4569168E-03

TABLE F.7 : IMPACT OF A WAGE-GROWTH SHOCK ON PERSONAL INCOME TAX IN CURRENT DOLLARS, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	28.36489	28.06774	28.49045	28.31940
2	60.94543	61.01238	61.03056	61.19082
3	50.76276	50.01125	51.05147	50.57297
4	72.21788	70.98805	72.60646	71.76059
5	74.07338	72.38272	74.80953	73.84184
6	169.8197	168.6562	170.7179	170.4495
7	109.2952	105.7097	110.8203	108.6178
8	145.0137	140.2178	146.8183	143.6848
9	101.2034	95.74267	103.5795	100.2775
10	264.0930	258.8314	267.4196	265.1465
11	147.9801	140.0719	151.5021	146.5916
12	200.6139	190.7605	204.8097	198.5238
		YEARLY AVERAGES		
1	53.07274	52.51985	53.29473	52.96094
2	124.5505	121.7416	125.7915	124.1485
3	178.4726	171.3516	181.8277	177.6348

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	28.61611	28.57150	28.66043
2	61.10990	61.34616	60.87884
3	51.33619	51.11976	51.53099
4	72.99029	72.51631	73.47325
5	75.54543	75.30165	75.82235
6	171.6091	172.2174	171.0326
7	112.3498	111.5433	113.1266
8	148.6321	147.1917	150.1150
9	105.9956	104.9665	107.1125
10	270.8254	271.7620	269.9933
11	155.0945	153.3669	156.8275
12	209.1164	206.7011	211.6409
		YEARLY AVERAGES	
1	53.51312	53.38843	53.63588
2	127.0341	126.5635	127.5241
3	185.2580	184.1991	186.3935

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	28.74188	28.82403	28.86775	29.07700
2	61.18346	61.47825	61.25121	61.58698
3	51.61692	51.65179	51.89370	52.16931
4	73.36947	73.25585	73.74408	73.97992
5	76.28107	76.76183	77.01641	78.22209
6	172.4929	173.9574	173.3691	175.6667
7	113.8836	114.4853	115.4216	117.4431
8	150.4551	150.7385	152.2872	154.3255
9	108.4524	109.8146	110.9505	114.8276
10	274.3104	278.6792	277.8753	285.9004
11	158.7590	160.4114	162.4977	167.7407
12	213.5377	215.3188	218.0773	224.4075
		YEARLY AVERAGES		
1	53.72793	53.80248	53.93918	54.20330
2	128.2782	128.9858	129.5236	131.4143
3	188.7649	191.0560	192.3502	198.2190

TABLE F.8 : IMPACT OF A WAGE-GROWTH SHOCK ON LABOUR FORCE, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-3.983593	-3.040974	-4.409970	-3.880870
2	-4.950927	-3.899287	-5.804347	-5.572053
3	-8.707540	-6.662343	-9.924327	-8.990210
4	-5.932750	-3.116626	-7.228687	-5.542283
5	-5.090220	-1.855077	-6.654860	-4.755370
6	-5.060957	-2.709126	-6.877570	-6.095873
7	-11.72625	-8.516333	-13.74307	-12.15394
8	-12.43114	-8.952977	-14.12799	-11.87621
9	-15.18253	-11.81366	-16.85361	-14.59990
10	-18.27294	-15.98231	-20.00648	-18.94836
11	-20.10283	-18.00278	-21.49903	-20.16918
12	-20.19307	-19.33170	-20.80148	-19.91964
		YEARLY AVERAGES		
1	-5.893702	-4.179807	-6.841832	-5.996354
2	-8.577141	-5.508378	-10.35087	-8.720349
3	-18.43784	-16.28261	-19.79015	-18.40927

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-4.840290	-4.736933	-4.943540
2	-6.662827	-7.264837	-6.077230
3	-11.14688	-11.34159	-10.90500
4	-8.537417	-8.021193	-9.031950
5	-8.253683	-7.792180	-8.746670
6	-8.751190	-9.701250	-7.850240
7	-15.83606	-16.07462	-15.54560
8	-15.90720	-15.10536	-16.71136
9	-18.64448	-17.82914	-19.52953
10	-21.89177	-22.46835	-21.37918
11	-23.06312	-22.92063	-23.20404
12	-21.56758	-21.04132	-22.14828
		YEARLY AVERAGES	
1	-7.796853	-7.841138	-7.739430
2	-12.18703	-12.16835	-12.21347
3	-21.29174	-21.06486	-21.56525

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-5.274490	-5.608677	-5.712507	-6.495597
2	-7.525860	-8.973683	-8.392930	-10.69461
3	-12.37429	-13.70978	-13.60563	-16.08820
4	-9.858050	-10.54720	-11.18970	-13.11420
5	-9.885977	-10.96084	-11.55098	-14.25609
6	-10.68097	-13.51928	-12.66595	-17.54228
7	-18.00448	-20.27356	-20.24737	-24.74364
8	-17.76889	-18.64352	-19.71302	-22.49167
9	-20.55829	-21.52706	-22.59809	-25.71784
10	-23.93391	-26.57998	-26.13774	-31.31777
11	-24.80266	-26.31171	-26.72517	-30.39601
12	-22.50195	-22.77436	-23.61544	-25.20081
		YEARLY AVERAGES		
1	-8.758172	-9.709834	-9.725191	-11.59815
2	-14.08508	-15.84930	-16.04433	-19.75842
3	-22.94920	-24.29828	-24.76911	-28.15811

TABLE F.9 : IMPACT OF A WAGE-GROWTH SHOCK ON SPOT EXCHANGE RATE, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.1104483E-04	0.1103952E-04	0.1104785E-04	0.1104561E-04
2	0.6731866E-04	0.6737554E-04	0.6729686E-04	0.6733456E-04
3	0.2444599E-03	0.2448053E-03	0.2442786E-03	0.2444554E-03
4	0.6279794E-03	0.6292908E-03	0.6272257E-03	0.6278225E-03
5	0.1299666E-02	0.1303559E-02	0.1297378E-02	0.1299074E-02
6	0.2333640E-02	0.2343562E-02	0.2327855E-02	0.2332182E-02
7	0.3798381E-02	0.3820533E-02	0.3785575E-02	0.3795344E-02
8	0.5671985E-02	0.5716331E-02	0.5646399E-02	0.5666197E-02
9	0.7907591E-02	0.7988253E-02	0.7860734E-02	0.7897079E-02
10	0.1066574E-01	0.1079843E-01	0.1058763E-01	0.1064799E-01
11	0.1420146E-01	0.1439434E-01	0.1408561E-01	0.1417435E-01
12	0.1852368E-01	0.1876565E-01	0.1837376E-01	0.1848665E-01
		YEARLY AVERAGES		
1	0.2377007E-03	0.2381278E-03	0.2374623E-03	0.2376645E-03
2	0.3275918E-02	0.3295996E-02	0.3264302E-02	0.3273199E-02
3	0.1282462E-01	0.1298667E-01	0.1272693E-01	0.1280152E-01

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.1105089E-04	0.1105174E-04	0.1104999E-04
2	0.6727432E-04	0.6729056E-04	0.6725808E-04
3	0.2440936E-03	0.2440904E-03	0.2440950E-03
4	0.6264639E-03	0.6263218E-03	0.6266049E-03
5	0.1295086E-02	0.1294571E-02	0.1295613E-02
6	0.2322096E-02	0.2320891E-02	0.2323350E-02
7	0.3772851E-02	0.3770442E-02	0.3775384E-02
8	0.5620930E-02	0.5616442E-02	0.5625657E-02
9	0.7813873E-02	0.7805752E-02	0.7822387E-02
10	0.1050897E-01	0.1049522E-01	0.1052333E-01
11	0.1396784E-01	0.1394675E-01	0.1398978E-01
12	0.1821935E-01	0.1819034E-01	0.1824943E-01
		YEARLY AVERAGES	
1	0.2372207E-03	0.2371886E-03	0.2372520E-03
2	0.3252741E-02	0.3250586E-02	0.3255001E-02
3	0.1262751E-01	0.1260952E-01	0.1264623E-01

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.1105393E-04	0.1105791E-04	0.1105699E-04	0.1106411E-04
2	0.6725103E-04	0.6724355E-04	0.6722699E-04	0.6719354E-04
3	0.2439048E-03	0.2437108E-03	0.2437124E-03	0.2433167E-03
4	0.6256942E-03	0.6247903E-03	0.6249168E-03	0.6232296E-03
5	0.1292791E-02	0.1290055E-02	0.1290493E-02	0.1285531E-02
6	0.2316362E-02	0.2309700E-02	0.2310657E-02	0.2298624E-02
7	0.3760211E-02	0.3745858E-02	0.3747662E-02	0.3721626E-02
8	0.5595586E-02	0.5567142E-02	0.5570378E-02	0.5518369E-02
9	0.7767027E-02	0.7714417E-02	0.7720216E-02	0.7623216E-02
10	0.1042979E-01	0.1034034E-01	0.1035012E-01	0.1018357E-01
11	0.1384818E-01	0.1371176E-01	0.1372666E-01	0.1346958E-01
12	0.1806042E-01	0.1787661E-01	0.1789698E-01	0.1754534E-01
		YEARLY AVERAGES		
1	0.2369760E-03	0.2367006E-03	0.2367283E-03	0.2362010E-03
2	0.3241237E-02	0.3228189E-02	0.3229797E-02	0.3206037E-02
3	0.1252635E-01	0.1241078E-01	0.1242349E-01	0.1220543E-01

TABLE F.10: IMPACT OF A WAGE-GROWTH SHOCK ON CONSUMER EXPENDITURE, TOTAL, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	7.820186	7.723999	7.860167	7.804162
2	23.53625	23.46219	23.59535	23.58331
3	30.68925	30.40646	30.82528	30.67685
4	27.76174	27.25140	27.94919	27.62297
5	31.53880	30.56414	31.91135	31.30179
6	53.36404	52.24033	53.87509	53.25608
7	47.90072	46.06660	48.67957	47.58424
8	27.56831	25.39696	28.39596	26.99458
9	11.72952	8.513419	12.95996	10.87354
10	28.72280	25.02658	30.33327	28.09656
11	0.7675013	-3.831351	2.716048	-0.1678572
12	-23.18876	-27.73011	-21.36803	-24.34155
		YEARLY AVERAGES		
1	22.45186	22.21101	22.55750	22.42182
2	40.09297	38.56701	40.71549	39.78417
3	4.507765	0.4946345	6.160312	3.615173

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	7.900186	7.884480	7.915787
2	23.65284	23.69794	23.60916
3	30.95878	30.93740	30.97622
4	28.13439	27.98616	28.28171
5	32.28249	32.03468	32.53987
6	54.38399	54.26443	54.52122
7	49.45839	49.10253	49.82800
8	29.22668	28.60531	29.86880
9	14.20337	13.28488	15.16825
10	31.97295	31.27914	32.73337
11	4.706289	3.653479	5.832312
12	-19.50150	-20.78028	-18.14608
		YEARLY AVERAGES	
1	22.66155	22.62649	22.69572
2	41.33789	41.00174	41.68947
3	7.845277	6.859305	8.896963

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	7.940244	7.964954	7.980341	8.045583
2	23.70870	23.80607	23.76295	23.90767
3	31.08977	31.18816	31.21825	31.42917
4	28.31737	28.34113	28.49815	28.68808
5	32.65224	32.76284	33.02061	33.48636
6	54.89066	55.26463	55.39502	56.25602
7	50.23703	50.62047	51.01541	52.13726
8	30.06040	30.22855	30.89705	31.86392
9	15.45979	15.74783	16.72929	18.26302
10	33.64187	34.57446	35.34012	37.98302
11	6.738530	7.634799	8.813125	11.77894
12	-17.58847	-17.04092	-15.62814	-13.11711
		YEARLY AVERAGES		
1	22.76402	22.82508	22.86492	23.01763
2	41.96008	42.21912	42.58202	43.43589
3	9.562930	10.22904	11.31360	13.72697

TABLE F.11: IMPACT OF A WAGE-GROWTH SHOCK ON INVESTMENT, TOTAL, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-0.9426835	-0.9431826	-0.9424796	-0.9427741
2	-1.841761	-1.868228	-1.830080	-1.844961
3	0.4445712	0.3650962	0.4915282	0.4587269
4	2.343031	2.197611	2.428825	2.367015
5	2.950361	2.571768	3.149480	2.959528
6	0.2461787	-0.4776122	0.6075715	0.2197295
7	0.9642205	-0.9090741E-01	1.510293	0.9569625
8	-2.458525	-3.602174	-1.857769	-2.455287
9	-11.73677	-13.34522	-10.91256	-11.79141
10	-25.54318	-27.76151	-24.44152	-25.71000
11	-30.29083	-33.18917	-28.82834	-30.48970
12	-39.49881	-42.43943	-38.00320	-39.69624
		YEARLY AVERAGES		
1	0.7894250E-03	-0.6217585E-01	0.3694840E-01	0.9501700E-02
2	0.4255588	-0.3997314	0.8523939	0.4202332
3	-26.76740	-29.18383	-25.54641	-26.92184

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-0.9422756	-0.9423648	-0.9421864
2	-1.818360	-1.821538	-1.815184
3	0.5383292	0.5517380	0.5253250
4	2.514284	2.535106	2.492878
5	3.348653	3.347570	3.347133
6	0.9710381	0.9252861	1.014757
7	2.062257	2.027718	2.097914
8	-1.248749	-1.276793	-1.219099
9	-10.07225	-10.17707	-9.965227
10	-23.31062	-23.54976	-23.06360
11	-27.31637	-27.60792	-27.00719
12	-36.45007	-36.74254	-36.13645
		YEARLY AVERAGES	
1	0.7299440E-01	0.8073530E-01	0.6520815E-01
2	1.283300	1.255945	1.310176
3	-24.28733	-24.51932	-24.04312

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-0.9420715	-0.9419549	-0.9418671	-0.9415443
2	-1.806600	-1.797956	-1.794801	-1.774216
3	0.5849685	0.6440830	0.6314401	0.7357158
4	2.599394	2.701774	2.684141	2.866915
5	3.547850	3.735685	3.747045	4.123679
6	1.336553	1.638880	1.704092	2.360350
7	2.620110	3.121336	3.183847	4.237797
8	-0.6314300	-0.6643570E-01	-0.5777757E-02	1.176043
9	-9.215615	-8.500660	-8.342452	-6.760553
10	-22.14982	-21.27597	-20.95844	-18.88349
11	-25.75338	-24.53252	-24.13776	-21.25129
12	-34.83735	-33.56342	-33.16288	-30.14261
		YEARLY AVERAGES		
1	0.1089227	0.1514865	0.1447282	0.2217176
2	1.718271	2.107366	2.157302	2.974467
3	-22.98904	-21.96814	-21.65038	-19.25949

TABLE G.1 : IMPACT OF A IMPORT-PRICE SHOCK ON GNP GAP, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	41.83084	40.14745	42.87592	42.25860
2	75.84123	74.24010	76.60554	75.78015
3	152.2802	151.0412	153.1296	152.8297
4	147.5288	147.1481	148.7478	149.6444
5	194.0435	192.0494	196.3964	196.6392
6	170.8086	167.8970	173.0881	172.2961
7	161.8135	159.0655	164.6620	164.5743
8	34.93546	34.12473	36.40073	36.70369
9	54.17607	51.39971	55.90924	54.38837
10	9.459960	10.44303	9.123326	9.567487
11	2.610388	4.930937	0.9882876	1.431680
12	88.32515	89.02025	85.58451	83.47375
		YEARLY AVERAGES		
1	104.3703	103.1442	105.3397	105.1282
2	140.4003	138.2842	142.6368	142.5533
3	38.64289	38.94848	37.90134	37.21532

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	43.93558	44.42855	43.47368
2	77.37592	77.34297	77.37323
3	153.9890	154.6591	153.3287
4	149.9922	152.2387	147.9441
5	198.8008	201.4260	195.9388
6	175.4122	176.8727	173.7299
7	167.5974	170.4245	164.7044
8	37.94330	39.56980	36.04049
9	57.76699	57.84491	57.55584
10	8.823457	8.831568	8.893396
11	-0.6071467	-1.986909	0.6461988
12	82.87747	78.05715	87.51517
		YEARLY AVERAGES	
1	106.3232	107.1673	105.5299
2	144.9384	147.0732	142.6034
3	37.21519	35.68668	38.65265

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	45.00972	46.65657	46.09825	48.94186
2	78.15177	78.92380	78.93246	80.51770
3	154.8582	156.5256	155.7366	158.4254
4	151.2621	154.9307	152.5575	157.7200
5	201.2567	206.4091	203.7640	211.5871
6	177.7807	181.6238	180.1928	186.5460
7	170.6218	176.6324	173.7372	183.2142
8	39.56607	42.74389	41.27179	46.24507
9	59.75529	61.81542	61.87980	66.34171
10	8.561001	8.241267	8.335437	7.784054
11	-2.171239	-5.288905	-3.699794	-8.436522
12	80.21306	72.84392	77.60109	67.95593
		YEARLY AVERAGES		
1	107.3204	109.2592	108.3312	111.4012
2	147.3063	151.8523	149.7414	156.8981
3	36.58953	34.40293	36.02913	33.41129

TABLE G.2 : IMPACT OF A IMPORT-PRICE SHOCK ON GNP, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	51.12119	51.14093	51.15565	51.21045
2	104.5099	104.5334	104.6376	104.7911
3	212.0692	212.2154	212.3632	212.8087
4	263.5980	263.7671	264.1224	264.8221
5	308.5412	308.6895	309.4446	310.4906
6	299.3607	299.3158	300.5417	301.6583
7	292.6112	292.1895	294.3347	295.6022
8	143.8842	142.9988	145.5868	146.3761
9	50.59564	48.92336	52.46322	52.62891
10	-51.01477	-53.05403	-49.43797	-49.88947
11	-134.9962	-138.4086	-133.2132	-134.8372
12	-149.5181	-154.1380	-147.6430	-150.5054
		YEARLY AVERAGES		
1	157.8246	157.9142	158.0697	158.4081
2	261.0993	260.7984	262.4769	263.5318
3	-71.23336	-74.16932	-69.45774	-70.65079

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	51.19017	51.28023	51.10219
2	104.7654	105.0491	104.4789
3	212.6564	213.3989	211.8950
4	264.6456	265.8722	263.3711
5	310.3485	312.2942	308.3205
6	301.7243	304.0079	299.3221
7	296.0599	299.0223	292.9200
8	147.2875	149.7475	144.6371
9	54.31839	56.29056	52.13584
10	-47.90292	-46.87412	-49.10941
11	-131.4904	-131.4769	-131.6529
12	-145.7852	-146.9197	-144.7082
		YEARLY AVERAGES	
1	158.3144	158.9001	157.7118
2	263.8550	266.2681	261.2999
3	-67.71503	-67.24504	-68.33367

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	51.22476	51.35027	51.25941	51.42058
2	104.8932	105.3072	105.0210	105.5654
3	212.9489	213.9860	213.2406	214.5697
4	265.1674	266.9173	265.6879	267.9571
5	311.2529	314.0999	312.1578	315.9073
6	302.9084	306.3636	304.0939	308.7247
7	297.7865	302.4497	299.5143	305.8810
8	148.9857	153.1097	150.6807	156.4575
9	56.15977	59.89855	57.98567	63.43747
10	-46.41377	-44.03759	-44.97565	-41.42571
11	-129.8353	-128.3794	-128.2564	-125.6106
12	-143.9519	-143.4283	-142.1509	-140.0535
		YEARLY AVERAGES		
1	158.5586	159.3902	158.8022	159.8782
2	265.2334	269.0057	266.6117	271.7426
3	-66.01030	-63.98668	-64.34932	-60.91308

TABLE G.3 : IMPACT OF A IMPORT-PRICE SHOCK ON EMPLOYMENT, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	2.070697	2.556736	1.750931	1.910948
2	6.723393	7.333247	6.416897	6.713667
3	16.62280	17.05398	16.41368	16.60556
4	30.42774	30.47618	30.28317	30.16546
5	40.20260	40.49013	39.88610	39.88233
6	51.28173	51.92560	51.03793	51.49113
7	61.66167	62.22457	61.55307	62.06883
8	65.01707	64.78890	65.50737	65.87477
9	57.24490	56.86800	57.98423	58.50820
10	48.65807	46.88817	50.10747	49.87297
11	34.91767	31.73973	37.08057	36.10567
12	13.80876	10.54142	16.46072	15.72559
		YEARLY AVERAGES		
1	13.96116	14.35503	13.71617	13.84891
2	54.54077	54.85730	54.49612	54.82927
3	38.65735	36.50933	40.40825	40.05311

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	1.426419	1.245989	1.597480
2	6.106923	6.080380	6.143603
3	16.20053	16.14108	16.26075
4	30.13050	29.82381	30.37279
5	39.55517	39.21933	39.91510
6	50.78177	51.00703	50.61557
7	61.42367	61.82990	61.01463
8	65.97883	66.89090	65.07980
9	58.68927	60.02253	57.31430
10	51.53783	52.79157	50.15997
11	39.22487	40.41747	37.94237
12	19.10929	20.90988	17.28743
		YEARLY AVERAGES	
1	13.46609	13.32282	13.59366
2	54.43486	54.73679	54.15627
3	42.14031	43.53536	40.67601

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	1.097202	0.5621793	0.7633187	-0.1401330
2	5.793723	5.435323	5.477540	4.780483
3	15.98363	15.66249	15.76320	15.17174
4	29.96983	29.45207	29.80126	29.05112
5	39.20993	38.50223	38.85060	37.73257
6	50.51357	50.47513	50.23357	49.89767
7	61.27310	61.50467	61.10103	61.09030
8	66.43037	67.82923	66.86087	68.68223
9	59.35760	61.39243	59.98687	62.59987
10	52.94693	55.62703	54.33263	58.36350
11	41.34550	44.63787	43.43717	48.72530
12	21.74735	26.04199	24.36729	31.06089
		YEARLY AVERAGES		
1	13.21109	12.77802	12.95133	12.21580
2	54.35674	54.57782	54.26152	54.35069
3	43.84935	46.92483	45.53099	50.18739

TABLE G.4 : IMPACT OF A IMPORT-PRICE SHOCK ON RATE OF INFLATION, GNP, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.1151909E-01	0.1151909E-01	0.1151909E-01	0.1151909E-01
2	-0.3278617E-01	-0.2987041E-01	-0.3453276E-01	-0.3349295E-01
3	-0.3263676E-01	-0.3219626E-01	-0.3244552E-01	-0.3195414E-01
4	-0.1700765E-01	-0.1935539E-01	-0.1597286E-01	-0.1718717E-01
5	0.1503092	0.1471990	0.1509733	0.1484028
6	0.1249747	0.1250899	0.1244963	0.1244913
7	0.2255019	0.2262727	0.2266198	0.2285695
8	0.2913847	0.2893608	0.2930147	0.2927105
9	0.4708431	0.4659631	0.4750303	0.4743940
10	0.3196139	0.3185507	0.3221871	0.3236168
11	0.3369425	0.3289193	0.3421244	0.3387593
12	0.2732975	0.2676850	0.2773649	0.2751921
		YEARLY AVERAGES		
1	-0.2747686E-01	-0.2714069E-01	-0.2765038E-01	-0.2754475E-01
2	0.1980426	0.1969806	0.1987760	0.1985435
3	0.3501742	0.3452795	0.3541767	0.3529906

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.1151909E-01	0.1151909E-01	0.1151909E-01
2	-0.3634226E-01	-0.3728095E-01	-0.3556759E-01
3	-0.3240340E-01	-0.3157216E-01	-0.3298764E-01
4	-0.1468758E-01	-0.1511057E-01	-0.1435413E-01
5	0.1515612	0.1499093	0.1528898
6	0.1240892	0.1237229	0.1250416
7	0.2277133	0.2309909	0.2246667
8	0.2948236	0.2961510	0.2931642
9	0.4792998	0.4833752	0.4752857
10	0.3246427	0.3288522	0.3201955
11	0.3476541	0.3492262	0.3453978
12	0.2814769	0.2832946	0.2797574
		YEARLY AVERAGES	
1	-0.2781108E-01	-0.2798789E-01	-0.2763646E-01
2	0.1995468	0.2001935	0.1989406
3	0.3582684	0.3611870	0.3551591

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.1151909E-01	0.1151909E-01	0.1151909E-01	0.1151909E-01
2	-0.3829917E-01	-0.4114908E-01	-0.4014914E-01	-0.4518268E-01
3	-0.3209397E-01	-0.3122134E-01	-0.3202212E-01	-0.3056961E-01
4	-0.1357144E-01	-0.1271908E-01	-0.1229037E-01	-0.1066849E-01
5	0.1522254	0.1511053	0.1528140	0.1525341
6	0.1236047	0.1229438	0.1231193	0.1222262
7	0.2289279	0.2337577	0.2301918	0.2367229
8	0.2965982	0.2997551	0.2984833	0.3033839
9	0.4836569	0.4926369	0.4881646	0.5024456
10	0.3273726	0.3343211	0.3299187	0.3398155
11	0.3532640	0.3606890	0.3592027	0.3732468
12	0.2856865	0.2918640	0.2901744	0.3010302
		YEARLY AVERAGES		
1	-0.2798820E-01	-0.2836317E-01	-0.2815388E-01	-0.2880693E-01
2	0.2003390	0.2018905	0.2011521	0.2037168
3	0.3624950	0.3698778	0.3668651	0.3791345

TABLE G.5 : IMPACT OF A IMPORT-PRICE SHOCK ON RATE OF INFLATION, CONSUMER EXPENDITURE, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.7248864E-02	0.7248864E-02	0.7248864E-02	0.7248864E-02
2	0.2514015	0.2520309	0.2510446	0.2512228
3	0.2968715	0.2972701	0.2966469	0.2969741
4	0.1966746	0.1964707	0.1966643	0.1965954
5	0.2114957	0.2109310	0.2116927	0.2110978
6	0.1871849	0.1867937	0.1871356	0.1868243
7	0.2099138	0.2098437	0.2102134	0.2103321
8	0.2298656	0.2293041	0.2303179	0.2302961
9	0.2910428	0.2897246	0.2923080	0.2922195
10	0.2954116	0.2945111	0.2965607	0.2969656
11	0.3260901	0.3234749	0.3281649	0.3274588
12	0.3313393	0.3287090	0.3334778	0.3327543
		YEARLY AVERAGES		
1	0.2483159	0.2485906	0.2481186	0.2482641
2	0.2096150	0.2092181	0.2098399	0.2096376
3	0.3109710	0.3091049	0.3126278	0.3123495

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.7248864E-02	0.7248864E-02	0.7248864E-02
2	0.2505162	0.2503408	0.2507798
3	0.2966036	0.2967053	0.2965000
4	0.1967430	0.1965787	0.1969020
5	0.2118926	0.2114483	0.2121136
6	0.1870077	0.1867854	0.1873695
7	0.2105063	0.2109496	0.2101187
8	0.2307590	0.2312440	0.2303473
9	0.2935539	0.2947897	0.2922770
10	0.2978268	0.2994585	0.2960740
11	0.3303065	0.3317927	0.3287369
12	0.3356493	0.3371721	0.3340860
		YEARLY AVERAGES	
1	0.2479543	0.2478749	0.2480606
2	0.2100414	0.2101068	0.2099873
3	0.3143341	0.3158032	0.3127934

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.7248864E-02	0.7248864E-02	0.7248864E-02	0.7248864E-02
2	0.2501660	0.2494721	0.2496442	0.2485301
3	0.2963930	0.2962912	0.2962781	0.2959884
4	0.1968264	0.1968367	0.1969189	0.1969497
5	0.2120174	0.2116531	0.2121486	0.2118786
6	0.1868855	0.1866012	0.1869253	0.1866676
7	0.2107947	0.2117001	0.2110740	0.2124222
8	0.2313384	0.2323740	0.2318309	0.2333875
9	0.2947804	0.2975052	0.2960621	0.3002984
10	0.2990665	0.3020573	0.3003512	0.3049098
11	0.3325128	0.3363183	0.3348471	0.3412313
12	0.3379243	0.3418865	0.3402953	0.3469406
		YEARLY AVERAGES		
1	0.2477951	0.2475333	0.2476137	0.2471561
2	0.2102590	0.2105821	0.2104947	0.2110890
3	0.3160710	0.3194418	0.3178889	0.3233450

TABLE G.6 : IMPACT OF A IMPORT-PRICE SHOCK ON LABOUR SHARE, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-0.4203224E-03	-0.3740115E-03	-0.4203485E-03	-0.3740608E-03
2	-0.6293402E-03	-0.5455111E-03	-0.6310445E-03	-0.5485855E-03
3	-0.9917996E-03	-0.8589142E-03	-0.9949047E-03	-0.8643519E-03
4	-0.4525805E-03	-0.3687650E-03	-0.4547743E-03	-0.3725027E-03
5	-0.6228891E-03	-0.5332167E-03	-0.6254063E-03	-0.5375736E-03
6	-0.3874952E-03	-0.3205551E-03	-0.3896071E-03	-0.3241868E-03
7	-0.7296099E-04	-0.5034802E-04	-0.7477045E-04	-0.5353815E-04
8	0.1072059E-02	0.9580587E-03	0.1073409E-02	0.9605360E-03
9	0.1068014E-02	0.9249650E-03	0.1066341E-02	0.9219364E-03
10	0.1305679E-02	0.1126177E-02	0.1304965E-02	0.1124894E-02
11	0.1185576E-02	0.1020675E-02	0.1181619E-02	0.1013970E-02
12	0.5839253E-03	0.4822255E-03	0.5839889E-03	0.4833224E-03
		YEARLY AVERAGES		
1	-0.6235107E-03	-0.5368004E-03	-0.6252680E-03	-0.5398752E-03
2	-0.2821572E-05	0.1348472E-04	-0.4093713E-05	0.1130936E-04
3	0.1035799E-02	0.8885106E-03	0.1034228E-02	0.8860307E-03

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-0.4203749E-03	-0.3741111E-03	-0.4665426E-03
2	-0.6327468E-03	-0.5516529E-03	-0.7164814E-03
3	-0.9979954E-03	-0.8697402E-03	-0.1131210E-02
4	-0.4569571E-03	-0.3762064E-03	-0.5465765E-03
5	-0.6279068E-03	-0.5418780E-03	-0.7208293E-03
6	-0.3917008E-03	-0.3277633E-03	-0.4628551E-03
7	-0.7655207E-04	-0.5664060E-04	-0.1011540E-03
8	0.1074741E-02	0.9629467E-03	0.1183254E-02
9	0.1064721E-02	0.9190789E-03	0.1216432E-02
10	0.1304457E-02	0.1124263E-02	0.1495403E-02
11	0.1177841E-02	0.1007787E-02	0.1360836E-02
12	0.5837933E-03	0.4835072E-03	0.6961567E-03
		YEARLY AVERAGES	
1	-0.6270185E-03	-0.5429276E-03	-0.7152026E-03
2	-0.5354667E-05	0.9166200E-05	-0.2539610E-04
3	0.1032703E-02	0.8836590E-03	0.1192207E-02

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-0.4204016E-03	-0.3741624E-03	-0.4204285E-03	-0.3742147E-03
2	-0.6344470E-03	-0.5547132E-03	-0.6361452E-03	-0.5577660E-03
3	-0.1001071E-02	-0.8750786E-03	-0.1004133E-02	-0.8803665E-03
4	-0.4591289E-03	-0.3798754E-03	-0.4612895E-03	-0.3835092E-03
5	-0.6303906E-03	-0.5461291E-03	-0.6328575E-03	-0.5503260E-03
6	-0.3937758E-03	-0.3312807E-03	-0.3958314E-03	-0.3347352E-03
7	-0.7830471E-04	-0.5964793E-04	-0.8002710E-04	-0.6255127E-04
8	0.1076057E-02	0.9653051E-03	0.1077360E-02	0.9676320E-03
9	0.1063162E-02	0.9164388E-03	0.1061671E-02	0.9140881E-03
10	0.1304178E-02	0.1124429E-02	0.1304158E-02	0.1125617E-02
11	0.1174268E-02	0.1002284E-02	0.1170930E-02	0.9976214E-03
12	0.5833411E-03	0.4827722E-03	0.5826308E-03	0.4809045E-03
		YEARLY AVERAGES		
1	-0.6287621E-03	-0.5459574E-03	-0.6304990E-03	-0.5489641E-03
2	-0.6603527E-05	0.7061843E-05	-0.7839000E-05	0.5004882E-05
3	0.1031237E-02	0.8814810E-03	0.1029847E-02	0.8795577E-03

TABLE G.7 : IMPACT OF A IMPORT-PRICE SHOCK ON PERSONAL INCOME TAX IN CURRENT DOLLARS, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	28.84658	28.84809	28.98442	29.12437
2	30.23231	30.26812	30.38868	30.57493
3	40.32657	40.53384	40.55775	40.98896
4	57.82410	58.06732	58.14089	58.68432
5	54.77436	54.56363	55.33021	55.63796
6	67.55370	66.95419	68.17179	68.15558
7	67.97632	66.95711	68.75194	68.47789
8	92.20379	90.84188	92.97638	92.33671
9	75.00289	72.19881	76.44148	74.96164
10	89.28277	85.71096	90.88471	88.78848
11	67.20488	63.10742	69.19192	66.88950
12	172.3065	167.5734	175.4048	173.3927
		YEARLY AVERAGES		
1	39.30739	39.42934	39.51793	39.84314
2	70.62704	69.82920	71.30758	71.15203
3	100.9493	97.14765	102.9807	101.0081

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	29.12235	29.40099	28.84471
2	30.54338	30.87505	30.19346
3	40.78711	41.43715	40.11516
4	58.45490	59.29087	57.57149
5	55.88748	56.71789	54.97123
6	68.79052	69.36018	68.15063
7	69.53380	70.02320	69.02531
8	93.76358	93.88599	93.61439
9	77.90199	77.80786	77.96058
10	92.51434	91.97180	93.05623
11	71.23010	70.86326	71.61803
12	178.6463	179.7473	177.5914
		YEARLY AVERAGES	
1	39.72693	40.25101	39.18120
2	71.99384	72.49681	71.44039
3	105.0732	105.0976	105.0566

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	29.26037	29.67797	29.39847	29.95529
2	30.69638	31.16828	30.84766	31.45444
3	41.01465	41.87844	41.24037	42.31289
4	58.76617	59.88741	59.07479	60.47442
5	56.44612	57.80297	57.00606	58.89278
6	69.40982	70.56761	70.02965	71.77751
7	70.32198	71.59367	71.11659	73.19010
8	94.56542	95.48984	95.38195	97.14855
9	79.38490	80.74107	80.89065	83.76486
10	94.17206	95.26386	95.85823	98.66731
11	73.32148	75.04401	75.46829	79.45079
12	182.0366	186.6782	185.5820	194.2485
		YEARLY AVERAGES		
1	39.93439	40.65302	40.14032	41.04926
2	72.68583	73.86352	73.38356	75.25223
3	107.2288	109.4318	109.4498	114.0329

TABLE G.8 : IMPACT OF A IMPORT-PRICE SHOCK ON LABOUR FORCE, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.2624439	0.8209687	-0.1069794	0.7489910E-01
2	0.8366360	1.640340	0.4081610	0.7743387
3	2.741448	3.476137	2.336416	2.628042
4	6.863873	7.261680	6.449100	6.396930
5	5.874233	6.566987	5.171593	5.174897
6	7.805687	8.976457	7.041897	7.499580
7	11.58076	12.82320	10.80899	11.35339
8	16.08894	16.60557	15.86041	16.28918
9	15.42863	15.83504	15.46108	16.13224
10	19.36713	18.21299	20.26919	20.20109
11	21.81735	18.84575	23.75332	22.87292
12	15.82941	12.29464	18.71186	18.04865
		YEARLY AVERAGES		
1	2.676100	3.299781	2.271674	2.468552
2	10.33740	11.24305	9.720723	10.07926
3	18.11063	16.29710	19.54886	19.31372

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-0.4818660	-0.6932447	-0.2813565
2	-0.2533451E-01	-0.1115591	0.7054220E-01
3	1.924899	1.754023	2.097387
4	6.022210	5.485403	6.488290
5	4.447633	3.700803	5.216260
6	6.255787	5.933993	6.649887
7	10.00196	9.743283	10.28453
8	15.59393	15.82825	15.41477
9	15.43357	16.20424	14.67216
10	21.12271	22.00979	20.15479
11	25.63929	26.72765	24.49361
12	21.55900	23.68457	19.43933
		YEARLY AVERAGES	
1	1.859977	1.608656	2.093716
2	9.074827	8.801582	9.391362
3	20.93864	22.15656	19.68997

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-0.8621707	-1.483091	-1.247847	-2.294243
2	-0.4635583	-1.015059	-0.9062147	-1.933799
3	1.507251	0.8568240	1.083824	-0.6079630E-01
4	5.583440	4.529040	5.133043	3.529857
5	3.702693	2.147280	2.937149	0.5173457
6	5.447877	4.283360	4.618747	2.551961
7	9.159513	7.991427	8.281540	6.096943
8	15.28849	15.21521	14.94312	14.44339
9	15.34339	16.03012	15.18792	15.59023
10	21.92484	23.61719	22.67292	25.00435
11	27.46901	30.36329	29.23611	33.73093
12	24.36149	29.13284	27.10961	34.31510
		YEARLY AVERAGES		
1	1.441240	0.7219283	1.015701	-0.1897456
2	8.399642	7.409319	7.695138	5.902410
3	22.27468	24.78586	23.55164	27.16015

TABLE G.9 : IMPACT OF A IMPORT-PRICE SHOCK ON SPOT EXCHANGE RATE, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-0.3008559E-04	-0.3006856E-04	-0.3009124E-04	-0.3007979E-04
2	-0.7442003E-04	-0.7434830E-04	-0.7444790E-04	-0.7440400E-04
3	0.4567229E-03	0.4568916E-03	0.4566768E-03	0.4567981E-03
4	0.1847061E-02	0.1847446E-02	0.1846973E-02	0.1847263E-02
5	0.4355869E-02	0.4356856E-02	0.4355608E-02	0.4356318E-02
6	0.7938992E-02	0.7941588E-02	0.7938090E-02	0.7939771E-02
7	0.1260158E-01	0.1260728E-01	0.1259932E-01	0.1260276E-01
8	0.1839621E-01	0.1840608E-01	0.1839209E-01	0.1839790E-01
9	0.2559948E-01	0.2561239E-01	0.2559461E-01	0.2560263E-01
10	0.3442616E-01	0.3443795E-01	0.3442371E-01	0.3443264E-01
11	0.4523070E-01	0.4523216E-01	0.4523751E-01	0.4524418E-01
12	0.5814457E-01	0.5811810E-01	0.5817349E-01	0.5817203E-01
		YEARLY AVERAGES		
1	0.5498196E-03	0.5499802E-03	0.5497777E-03	0.5498943E-03
2	0.1082316E-01	0.1082795E-01	0.1082128E-01	0.1082419E-01
3	0.4085023E-01	0.4085015E-01	0.4085733E-01	0.4086287E-01

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-0.3009687E-04	-0.3009098E-04	-0.3010275E-04
2	-0.7447553E-04	-0.7445879E-04	-0.7449201E-04
3	0.4566324E-03	0.4567110E-03	0.4565554E-03
4	0.1846890E-02	0.1847098E-02	0.1846684E-02
5	0.4355359E-02	0.4355824E-02	0.4354895E-02
6	0.7937214E-02	0.7938052E-02	0.7936385E-02
7	0.1259711E-01	0.1259844E-01	0.1259578E-01
8	0.1838808E-01	0.1839005E-01	0.1838610E-01
9	0.2558995E-01	0.2559353E-01	0.2558630E-01
10	0.3442179E-01	0.3442885E-01	0.3441456E-01
11	0.4524552E-01	0.4525962E-01	0.4523102E-01
12	0.5820470E-01	0.5823244E-01	0.5817611E-01
		YEARLY AVERAGES	
1	0.5497375E-03	0.5498148E-03	0.5496612E-03
2	0.1081944E-01	0.1082059E-01	0.1081829E-01
3	0.4086549E-01	0.4087861E-01	0.4085200E-01

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-0.3010249E-04	-0.3010213E-04	-0.3010810E-04	-0.3011323E-04
2	-0.7450293E-04	-0.7451265E-04	-0.7453010E-04	-0.7456557E-04
3	0.4565896E-03	0.4566306E-03	0.4565485E-03	0.4565567E-03
4	0.1846812E-02	0.1846952E-02	0.1846739E-02	0.1846826E-02
5	0.4355121E-02	0.4355375E-02	0.4354896E-02	0.4354971E-02
6	0.7936367E-02	0.7936437E-02	0.7935547E-02	0.7934932E-02
7	0.1259496E-01	0.1259434E-01	0.1259287E-01	0.1259048E-01
8	0.1838418E-01	0.1838266E-01	0.1838042E-01	0.1837594E-01
9	0.2558558E-01	0.2558568E-01	0.2558162E-01	0.2558034E-01
10	0.3442067E-01	0.3442874E-01	0.3442083E-01	0.3443861E-01
11	0.4525548E-01	0.4528433E-01	0.4526870E-01	0.4533802E-01
12	0.5823978E-01	0.5831147E-01	0.5828149E-01	0.5845357E-01
		YEARLY AVERAGES		
1	0.5496990E-03	0.5497420E-03	0.5496623E-03	0.5496760E-03
2	0.1081766E-01	0.1081720E-01	0.1081593E-01	0.1081408E-01
3	0.4087538E-01	0.4090255E-01	0.4088816E-01	0.4095263E-01

TABLE G.10: IMPACT OF A IMPORT-PRICE SHOCK ON CONSUMER EXPENDITURE, TOTAL, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	6.105793	6.189985	6.157503	6.293704
2	6.127697	6.355764	6.194416	6.489068
3	6.461427	7.069225	6.563194	7.274011
4	6.961951	7.785735	7.095274	8.053139
5	-0.6128321	0.3416665	-0.3673239	0.8305834
6	-8.202489	-7.424753	-7.925956	-6.872493
7	-10.54366	-9.907355	-10.10779	-9.033529
8	-15.84794	-15.74710	-15.39810	-14.84278
9	-42.87037	-43.61399	-42.25615	-42.38849
10	-59.17430	-60.40218	-58.55830	-59.17898
11	-86.67744	-88.88933	-85.80025	-87.17159
12	-79.17180	-82.36861	-77.87233	-79.87431
		YEARLY AVERAGES		
1	6.414217	6.850177	6.502597	7.027480
2	-8.801730	-8.184385	-8.449792	-7.479555
3	-66.97348	-68.81853	-66.12176	-67.15334

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	6.209253	6.397585	6.021579
2	6.260584	6.620162	5.892967
3	6.663841	7.474374	5.828360
4	7.226875	8.313862	6.086787
5	-0.1226435	1.316293	-1.651875
6	-7.649754	-6.321337	-9.070771
7	-9.671039	-8.155933	-11.28925
8	-14.94438	-13.92368	-16.06911
9	-41.63419	-41.13294	-42.22074
10	-57.93380	-57.92236	-57.99018
11	-84.90805	-85.39565	-84.44004
12	-76.52472	-77.19696	-75.83765
		YEARLY AVERAGES	
1	6.590138	7.201496	5.957423
2	-8.096954	-6.771164	-9.520251
3	-65.25019	-65.41198	-65.12215

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	6.261043	6.501629	6.312874	6.605836
2	6.326194	6.748989	6.391238	6.875492
3	6.763370	7.670316	6.861780	7.861852
4	7.356790	8.568164	7.485053	8.816330
5	0.1212227	1.798903	0.3642897	2.278539
6	-7.373893	-5.771359	-7.098380	-5.222600
7	-9.233392	-7.274455	-8.794825	-6.388885
8	-14.48678	-12.98984	-14.02529	-12.04116
9	-41.00443	-39.84689	-40.36683	-38.52995
10	-57.30082	-56.63257	-56.65943	-55.31040
11	-84.00079	-83.56105	-83.07844	-81.66752
12	-75.12765	-74.32658	-73.67950	-71.24377
		YEARLY AVERAGES		
1	6.676849	7.372274	6.762736	7.539877
2	-7.743211	-6.059188	-7.388551	-5.343526
3	-64.35842	-63.59177	-63.44605	-61.68791

TABLE G.11: IMPACT OF A IMPORT-PRICE SHOCK ON INVESTMENT, TOTAL, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-1.484323	-1.484178	-1.484069	-1.483667
2	2.405929	2.399040	2.423467	2.434286
3	14.31458	14.25291	14.41616	14.45523
4	25.14754	24.97751	25.40690	25.49164
5	27.86512	27.61620	28.31768	28.50910
6	-1.486002	-1.621432	-1.036440	-0.7311248
7	-61.03771	-61.10279	-60.49671	-60.01885
8	-143.9154	-143.9214	-143.3139	-142.6859
9	-223.0992	-223.0719	-222.5367	-221.8686
10	-290.9437	-290.3644	-290.9407	-290.1739
11	-330.4383	-330.0766	-330.5602	-330.1021
12	-335.4304	-336.0025	-335.2452	-335.4902
		YEARLY AVERAGES		
1	10.09593	10.03632	10.19061	10.22437
2	-44.64350	-44.75736	-44.13234	-43.73169
3	-294.9779	-294.8788	-294.8207	-294.4087

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-1.483816	-1.483155	-1.484462
2	2.441069	2.469794	2.412586
3	14.51796	14.65835	14.37519
4	25.66718	26.00931	25.31609
5	28.77292	29.41241	28.11584
6	-0.5849183	0.1666530	-1.362402
7	-59.95722	-58.94099	-61.02471
8	-142.7243	-141.4958	-144.0300
9	-222.0045	-220.7779	-223.3237
10	-291.0093	-290.2453	-291.8552
11	-330.7743	-330.4583	-331.1672
12	-335.1334	-335.2322	-335.0996
		YEARLY AVERAGES	
1	10.28560	10.41357	10.15485
2	-43.62338	-42.71443	-44.57532
3	-294.7304	-294.1784	-295.3614

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-1.483562	-1.482640	-1.483307	-1.482124
2	2.458737	2.505565	2.476471	2.541601
3	14.61995	14.86221	14.72213	15.06674
4	25.92834	26.53035	26.19036	27.05455
5	29.23081	30.32592	29.69132	31.24941
6	-0.1314626	1.071715	0.3238979	1.983822
7	-59.41930	-57.86974	-58.88308	-56.80611
8	-142.1471	-140.3542	-141.5828	-139.2661
9	-221.5041	-219.8115	-221.0376	-218.9878
10	-291.1548	-290.6165	-291.3837	-291.3459
11	-331.0891	-331.2062	-331.5148	-332.4197
12	-335.1050	-335.2968	-335.1712	-335.7310
		YEARLY AVERAGES		
1	10.38087	10.60387	10.47641	10.79519
2	-43.11676	-41.70658	-42.61267	-40.70974
3	-294.7132	-294.2327	-294.7768	-294.6211

TABLE H.1 : IMPACT OF A IMPORT-PRICE SHOCK ON GNP GAP, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	65.30655	62.05672	66.67981	64.81049
2	117.2171	115.9226	118.2029	117.9882
3	141.5094	141.6352	142.3030	143.3377
4	243.9383	240.8926	246.4807	245.9287
5	228.0943	224.1679	230.5294	228.9586
6	265.2630	259.9447	269.1439	267.5356
7	132.6803	130.2942	136.2192	136.9481
8	218.8874	210.9282	224.4403	221.1606
9	173.6026	167.2595	177.7108	174.7630
10	181.4772	175.0373	186.1845	183.4823
11	123.3129	119.5580	126.5074	124.9322
12	167.4856	161.2477	171.1016	167.1608
		YEARLY AVERAGES		
1	141.9928	140.1268	143.4166	143.0163
2	211.2312	206.3337	215.0832	213.6507
3	161.4696	155.7756	165.3761	162.5846

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	68.06680	67.62037	68.47851
2	119.1869	120.0470	118.3185
3	143.1021	145.0583	141.3059
4	249.0687	251.1391	246.7583
5	232.9995	233.8911	231.8712
6	273.1222	275.5111	270.6714
7	139.8768	144.0480	135.6533
8	230.2164	232.2279	227.7968
9	181.9988	182.9483	180.9002
10	191.1963	193.0454	189.2241
11	130.0172	131.4353	128.3445
12	175.1418	174.5597	175.6314
		YEARLY AVERAGES	
1	144.8561	145.9662	143.7153
2	219.0537	221.4195	216.4982
3	169.5885	170.4972	168.5250

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	69.46732	70.48488	70.88120	73.40249
2	120.1681	122.0912	121.1455	124.1130
3	143.9061	146.7930	144.7146	148.5382
4	251.7018	256.5208	254.3798	262.0712
5	235.5033	238.9561	238.0395	244.1436
6	277.1988	283.8764	281.3742	292.6365
7	143.6546	151.6047	147.5542	159.6274
8	236.2211	244.1736	242.4600	257.0408
9	186.4717	191.8547	191.1341	201.5215
10	196.5310	203.8629	202.2079	216.0862
11	133.8657	139.2383	138.0778	148.5295
12	179.6446	183.7195	184.6508	194.9575
		YEARLY AVERAGES		
1	146.3108	148.9725	147.7803	152.0312
2	223.1444	229.6527	227.3570	238.3621
3	174.1282	179.6688	179.0176	190.2737

TABLE H.2 : IMPACT OF A IMPORT-PRICE SHOCK ON GNP, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	53.10785	53.09810	53.13663	53.15607
2	147.0365	147.0677	147.1763	147.3510
3	230.8497	231.0526	231.1050	231.5750
4	344.2184	344.6028	344.7364	345.6494
5	385.8706	386.0738	386.7215	387.7776
6	453.4151	453.2691	454.8970	456.2141
7	344.7505	343.8615	346.6166	347.5350
8	326.1326	324.3018	328.6067	329.1187
9	265.8372	263.1144	268.5718	268.3831
10	236.6491	232.2119	240.1727	238.9305
11	120.1659	114.5331	123.6948	121.1391
12	76.60035	69.19649	80.62079	76.56899
		YEARLY AVERAGES		
1	193.8031	193.9553	194.0386	194.4329
2	377.5422	376.8765	379.2104	380.1613
3	174.8131	169.7640	178.2650	176.2554

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	53.16546	53.21423	53.11795
2	147.3158	147.6334	146.9923
3	231.3581	232.0883	230.6012
4	345.2512	346.6837	343.7639
5	387.5700	389.4723	385.5727
6	456.3784	459.1578	453.4367
7	348.4908	351.2408	345.5377
8	331.1021	334.0185	327.9442
9	271.3386	273.7777	268.6634
10	243.7587	245.8898	241.3872
11	127.3278	128.1386	126.3552
12	84.80890	84.56739	84.94211
		YEARLY AVERAGES	
1	194.2726	194.9049	193.6188
2	380.8853	383.4723	378.1228
3	181.8085	183.0934	180.3370

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	53.19434	53.27259	53.22326	53.33113
2	147.4552	147.9151	147.5944	148.1960
3	231.6089	232.5925	231.8573	233.0876
4	345.7628	347.7053	346.2713	348.7144
5	388.4161	391.1574	389.2596	392.8325
6	457.8591	462.0993	459.3390	465.0375
7	350.3729	354.9779	352.2627	358.7454
8	333.6188	339.0011	336.1566	344.0666
9	274.1379	279.2994	276.9697	284.9495
10	247.4084	253.0978	251.1227	260.5633
11	131.0678	135.5545	134.9183	143.4124
12	89.17118	93.23957	93.71454	102.6395
		YEARLY AVERAGES		
1	194.5053	195.3714	194.7366	195.8323
2	382.5667	386.8089	384.2545	390.1705
3	185.4463	190.2978	189.1813	197.8912

TABLE H.3 : IMPACT OF A IMPORT-PRICE SHOCK ON EMPLOYMENT, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-5.568403	-4.627667	-5.995170	-5.483947
2	3.610680	4.252393	3.190499	3.381033
3	20.29962	20.30921	20.06934	19.81015
4	33.22221	33.74663	32.71198	32.72830
5	52.09300	53.25443	51.58260	52.26400
6	72.04940	73.71673	71.38180	72.44320
7	86.38773	86.92020	86.08010	86.44040
8	84.74683	85.91287	84.27320	85.23577
9	86.62750	87.19363	86.78377	87.72357
10	85.49410	85.10073	86.11917	86.53920
11	75.83793	73.73150	77.23650	76.63403
12	62.03917	59.31847	63.71623	62.79307
		YEARLY AVERAGES		
1	12.89103	13.42014	12.49416	12.60888
2	73.81924	74.95106	73.32942	74.09584
3	77.49967	76.33608	78.46392	78.42247

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-6.426147	-6.357533	-6.483367
2	2.769518	2.506012	3.043591
3	19.83653	19.30228	20.32583
4	32.18839	31.65896	32.75830
5	51.05803	51.21597	50.97943
6	70.68540	71.05333	70.32290
7	85.73977	85.83660	85.58287
8	83.74403	84.35093	83.13743
9	86.89800	88.09427	85.65923
10	86.68310	87.75613	85.52397
11	78.58470	79.37000	77.75547
12	65.33587	66.09493	64.51487
		YEARLY AVERAGES	
1	12.09207	11.77743	12.41109
2	72.80681	73.11421	72.50566
3	79.37542	80.32883	78.36338

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-6.861253	-7.247823	-7.300413	-8.154183
2	2.348098	1.630181	1.926597	0.7563887
3	19.60147	18.78788	19.36446	18.26913
4	31.65177	30.54106	31.10248	29.37709
5	50.51993	50.11443	49.96887	48.96410
6	69.96040	69.54883	69.20713	67.93207
7	85.36653	85.10733	84.96023	84.25220
8	83.15813	83.24873	82.51443	81.92077
9	86.96877	88.29337	86.99480	88.30980
10	87.18057	88.71087	87.60597	89.35997
11	79.87507	81.88490	81.09973	84.12017
12	66.88707	69.14490	68.35803	71.85400
		YEARLY AVERAGES		
1	11.68502	10.92782	11.27328	10.06210
2	72.25125	72.00483	71.66267	70.76728
3	80.22787	82.00851	81.01463	83.41098

TABLE H.4 : IMPACT OF A IMPORT-PRICE SHOCK ON RATE OF INFLATION, GNP, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.1636079E-01	0.1636079E-01	0.1636079E-01	0.1636079E-01
2	-0.7477537E-01	-0.6954150E-01	-0.7702634E-01	-0.7414622E-01
3	-0.4585275E-01	-0.4839714E-01	-0.4548112E-01	-0.4774038E-01
4	0.8103891E-01	0.7621917E-01	0.8265326E-01	0.7940426E-01
5	0.2897165E-01	0.3032837E-01	0.2814232E-01	0.2871307E-01
6	0.1831345	0.1853199	0.1835827	0.1864009
7	0.2511350	0.2515503	0.2513819	0.2520606
8	0.4930256	0.4867341	0.4955042	0.4919489
9	0.2641023	0.2658067	0.2647665	0.2676519
10	0.3761781	0.3722546	0.3809613	0.3813314
11	0.3902213	0.3838678	0.3944650	0.3918372
12	0.5060895	0.4965703	0.5121227	0.5078692
		YEARLY AVERAGES		
1	-0.1319640E-01	-0.1390649E-01	-0.1328473E-01	-0.1416078E-01
2	0.2390667	0.2384832	0.2396528	0.2397809
3	0.3841478	0.3796248	0.3880789	0.3871724

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.1636079E-01	0.1636079E-01	0.1636079E-01
2	-0.7937266E-01	-0.7889228E-01	-0.7984432E-01
3	-0.4503659E-01	-0.4698024E-01	-0.4296889E-01
4	0.8427473E-01	0.8271974E-01	0.8550940E-01
5	0.2731176E-01	0.2703059E-01	0.2797821E-01
6	0.1840766	0.1874984	0.1809749
7	0.2516150	0.2524722	0.2502694
8	0.4979623	0.4973895	0.4982184
9	0.2654512	0.2694034	0.2617950
10	0.3860008	0.3911673	0.3805831
11	0.3987436	0.4000329	0.3971032
12	0.5183008	0.5199468	0.5165881
		YEARLY AVERAGES	
1	-0.1337817E-01	-0.1438426E-01	-0.1243461E-01
2	0.2402414	0.2410977	0.2393602
3	0.3921241	0.3951376	0.3890173

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.1636079E-01	0.1636079E-01	0.1636079E-01	0.1636079E-01
2	-0.8175445E-01	-0.8366051E-01	-0.8411185E-01	-0.8857066E-01
3	-0.4446305E-01	-0.4612556E-01	-0.4399746E-01	-0.4511539E-01
4	0.8590142E-01	0.8594265E-01	0.8753546E-01	0.8929690E-01
5	0.2636789E-01	0.2528459E-01	0.2547985E-01	0.2336330E-01
6	0.1846154	0.1887819	0.1851999	0.1901993
7	0.2518370	0.2528970	0.2520468	0.2532339
8	0.5005550	0.5030637	0.5031819	0.5090788
9	0.2660492	0.2711117	0.2667192	0.2726779
10	0.3911921	0.4016278	0.3965279	0.4128333
11	0.4031088	0.4083775	0.4075530	0.4169960
12	0.5246586	0.5327681	0.5311380	0.5462859
		YEARLY AVERAGES		
1	-0.1343869E-01	-0.1461447E-01	-0.1352462E-01	-0.1479638E-01
2	0.2408438	0.2425068	0.2414771	0.2439688
3	0.3962522	0.4034713	0.4004845	0.4121983

TABLE H.5 : IMPACT OF A IMPORT-PRICE SHOCK ON RATE OF INFLATION, CONSUMER EXPENDITURE, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.9852482E-02	0.9852482E-02	0.9852482E-02	0.9852482E-02
2	0.2412371	0.2426199	0.2407256	0.2414530
3	0.2906767	0.2905883	0.2904693	0.2902803
4	0.2119037	0.2110921	0.2120502	0.2113872
5	0.1924766	0.1924520	0.1923755	0.1920976
6	0.2024937	0.2027205	0.2024714	0.2028879
7	0.2212189	0.2214515	0.2212609	0.2215416
8	0.2953987	0.2942087	0.2959890	0.2954290
9	0.2861367	0.2862304	0.2864557	0.2870657
10	0.3404249	0.3393354	0.3417850	0.3420546
11	0.3710639	0.3695742	0.3726093	0.3724576
12	0.4395607	0.4367333	0.4416982	0.4409874
		YEARLY AVERAGES		
1	0.2479392	0.2481001	0.2477484	0.2477068
2	0.2278970	0.2277082	0.2280242	0.2279890
3	0.3592966	0.3579683	0.3606370	0.3606413

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.9852482E-02	0.9852482E-02	0.9852482E-02
2	0.2400896	0.2402372	0.2400076
3	0.2903969	0.2899973	0.2907974
4	0.2122642	0.2117083	0.2126445
5	0.1920992	0.1917067	0.1925988
6	0.2025685	0.2031153	0.2021894
7	0.2213006	0.2215663	0.2209727
8	0.2965182	0.2966792	0.2962565
9	0.2868180	0.2879558	0.2858143
10	0.3432063	0.3448667	0.3413624
11	0.3741383	0.3754996	0.3726639
12	0.4439828	0.4455559	0.4424284
		YEARLY AVERAGES	
1	0.2475836	0.2473143	0.2478165
2	0.2281216	0.2282669	0.2280044
3	0.3620364	0.3634695	0.3605673

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.9852482E-02	0.9852482E-02	0.9852482E-02	0.9852482E-02
2	0.2395216	0.2391002	0.2389571	0.2378497
3	0.2902661	0.2896103	0.2900783	0.2893114
4	0.2123631	0.2119936	0.2125310	0.2123644
5	0.1918924	0.1913399	0.1917512	0.1909351
6	0.2027838	0.2034054	0.2028236	0.2035804
7	0.2212802	0.2215847	0.2213170	0.2216594
8	0.2970951	0.2979624	0.2977245	0.2993936
9	0.2871668	0.2888484	0.2875024	0.2896911
10	0.3446347	0.3479301	0.3461782	0.3511871
11	0.3757019	0.3786428	0.3772470	0.3818911
12	0.4463123	0.4502746	0.4487834	0.4553317
		YEARLY AVERAGES		
1	0.2473836	0.2469014	0.2471888	0.2465085
2	0.2282629	0.2285731	0.2284041	0.2288921
3	0.3634539	0.3664240	0.3649277	0.3695253

TABLE H.6 : IMPACT OF A IMPORT-PRICE SHOCK ON LABOUR SHARE, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-0.5028521E-03	-0.4473977E-03	-0.5028650E-03	-0.4474230E-03
2	-0.8276853E-03	-0.7193487E-03	-0.8294713E-03	-0.7225934E-03
3	-0.6652801E-03	-0.5622144E-03	-0.6674957E-03	-0.5661058E-03
4	-0.1168909E-02	-0.1013405E-02	-0.1172254E-02	-0.1019226E-02
5	-0.1029765E-02	-0.8736126E-03	-0.1032560E-02	-0.8784317E-03
6	-0.8604434E-03	-0.7291099E-03	-0.8624289E-03	-0.7325994E-03
7	0.6292323E-03	0.5929749E-03	0.6285353E-03	0.5919738E-03
8	0.2517332E-03	0.2181594E-03	0.2478972E-03	0.2116680E-03
9	0.4775849E-03	0.4217997E-03	0.4732120E-03	0.4147918E-03
10	0.4725887E-03	0.4155873E-03	0.4662972E-03	0.4055731E-03
11	0.1118774E-02	0.9842877E-03	0.1118477E-02	0.9850878E-03
12	0.8086265E-03	0.6966560E-03	0.8033226E-03	0.6891296E-03
		YEARLY AVERAGES		
1	-0.7911816E-03	-0.6855914E-03	-0.7930215E-03	-0.6888370E-03
2	-0.2523107E-03	-0.1978970E-03	-0.2546391E-03	-0.2018473E-03
3	0.7193935E-03	0.6295827E-03	0.7153272E-03	0.6236456E-03

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-0.5028782E-03	-0.4474491E-03	-0.5582069E-03
2	-0.8312527E-03	-0.7258218E-03	-0.9398368E-03
3	-0.6696960E-03	-0.5699452E-03	-0.7766947E-03
4	-0.1175567E-02	-0.1024938E-02	-0.1333591E-02
5	-0.1035318E-02	-0.8831320E-03	-0.1198935E-02
6	-0.8643831E-03	-0.7359912E-03	-0.1003828E-02
7	0.6277756E-03	0.5907521E-03	0.6534358E-03
8	0.2439846E-03	0.2049144E-03	0.2825399E-03
9	0.4687240E-03	0.4073940E-03	0.5322119E-03
10	0.4597953E-03	0.3948550E-03	0.5289246E-03
11	0.1117838E-02	0.9847937E-03	0.1253777E-02
12	0.7974180E-03	0.6796734E-03	0.9230931E-03
		YEARLY AVERAGES	
1	-0.7948485E-03	-0.6920385E-03	-0.9020823E-03
2	-0.2569852E-03	-0.2058642E-03	-0.3166968E-03
3	0.7109438E-03	0.6166790E-03	0.8095016E-03

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-0.5028916E-03	-0.4474761E-03	-0.5029053E-03	-0.4475039E-03
2	-0.8330294E-03	-0.7290336E-03	-0.8348014E-03	-0.7322285E-03
3	-0.6718811E-03	-0.5737328E-03	-0.6740511E-03	-0.5774689E-03
4	-0.1178847E-02	-0.1030542E-02	-0.1182096E-02	-0.1036041E-02
5	-0.1038039E-02	-0.8877131E-03	-0.1040723E-02	-0.8921748E-03
6	-0.8663060E-03	-0.7392850E-03	-0.8681977E-03	-0.7424810E-03
7	0.6269537E-03	0.5893120E-03	0.6260698E-03	0.5876557E-03
8	0.2399957E-03	0.1979004E-03	0.2359307E-03	0.1906272E-03
9	0.4641212E-03	0.3996073E-03	0.4594039E-03	0.3914329E-03
10	0.4530796E-03	0.3834101E-03	0.4461464E-03	0.3712122E-03
11	0.1116844E-02	0.9833145E-03	0.1115479E-02	0.9805515E-03
12	0.7908857E-03	0.6681126E-03	0.7836973E-03	0.6542557E-03
		YEARLY AVERAGES		
1	-0.7966623E-03	-0.6951961E-03	-0.7984634E-03	-0.6983106E-03
2	-0.2593489E-03	-0.2099464E-03	-0.2617300E-03	-0.2140932E-03
3	0.7062326E-03	0.6086111E-03	0.7011816E-03	0.5993631E-03

TABLE H.7 : IMPACT OF A IMPORT-PRICE SHOCK ON PERSONAL INCOME TAX IN CURRENT DOLLARS, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	43.88094	43.70910	44.08228	44.11236
2	49.01616	49.35486	49.20214	49.72569
3	77.35742	77.95442	77.59778	78.42509
4	72.65212	72.69047	73.29784	73.93948
5	94.25811	94.01087	94.98515	95.42808
6	99.39607	98.73455	100.3414	100.5929
7	126.9774	125.6746	128.0439	127.7398
8	132.6211	129.7114	134.4573	133.2426
9	152.6488	148.8063	154.7319	152.8208
10	134.6754	129.9838	137.2516	134.8941
11	226.7513	220.3686	230.5278	227.4724
12	184.4549	176.5596	188.6664	184.3911
		YEARLY AVERAGES		
1	60.72666	60.92721	61.04501	61.55065
2	113.3132	112.0329	114.4569	114.2508
3	174.6326	168.9296	177.7944	174.8946

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	44.28371	44.51603	44.05164
2	49.38462	50.08264	48.67500
3	77.83237	78.87305	76.74599
4	73.94309	75.18704	72.60197
5	95.70888	96.83359	94.48371
6	101.2882	102.4574	100.0597
7	129.1175	129.8309	128.3084
8	136.3150	136.8562	135.6608
9	156.8432	156.9448	156.6778
10	139.8936	140.0515	139.7368
11	234.4365	235.0692	233.7927
12	193.0165	192.7324	193.2446
		YEARLY AVERAGES	
1	61.36095	62.16469	60.51865
2	115.6074	116.4945	114.6282
3	181.0474	181.1995	180.8630

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	44.48525	44.92011	44.68689	45.32461
2	49.56358	50.42542	49.73897	50.75374
3	78.06134	79.29943	78.28482	79.70543
4	74.58785	76.43300	75.23210	77.67725
5	96.42923	98.22685	97.14612	99.60735
6	102.2365	104.3283	103.1864	106.2060
7	130.1982	131.9480	131.2862	134.0916
8	138.1946	140.5547	140.0964	144.3414
9	158.9833	161.1817	161.1525	165.5359
10	142.6036	145.4724	145.3841	151.1756
11	238.4813	243.1870	242.6664	251.8575
12	197.5111	201.6268	202.1566	211.1235
		YEARLY AVERAGES		
1	61.67450	62.76949	61.98569	63.36526
2	116.7646	118.7645	117.9288	121.0616
3	184.3948	187.8670	187.8399	194.9231

TABLE H.8 : IMPACT OF A IMPORT-PRICE SHOCK ON LABOUR FORCE, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-8.611197	-7.528173	-9.103523	-8.516000
2	-6.261187	-5.322103	-6.843553	-6.523273
3	1.058955	1.423630	0.5808200	0.4150380
4	0.8082163	1.774499	-0.8389727E-01	-0.2505549E-01
5	6.048117	7.853797	4.987890	5.749307
6	12.41475	15.06784	10.96557	12.22805
7	19.87620	21.65340	18.56712	19.19529
8	14.72028	17.48949	12.98055	14.36250
9	17.29171	19.80712	15.98302	17.55476
10	19.65696	21.47953	18.68426	19.93933
11	18.04969	18.18317	17.86218	18.19378
12	13.92502	13.34693	14.11009	14.18975
		YEARLY AVERAGES		
1	-3.251303	-2.413037	-3.862538	-3.662323
2	13.26484	15.51613	11.87528	12.88378
3	17.23084	18.20419	16.65989	17.46941

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-9.600693	-9.523757	-9.664573
2	-7.427733	-7.732347	-7.108353
3	0.9869133E-01	-0.6082410	0.7602733
4	-0.9928897	-1.889302	-0.4995047E-01
5	3.907093	3.561880	4.356290
6	9.475603	9.224287	9.772377
7	17.20581	16.53622	17.86107
8	11.15332	10.90388	11.46117
9	14.58751	14.97047	14.22867
10	17.58855	17.94135	17.21671
11	17.54343	17.73379	17.37632
12	14.13337	14.47584	13.79124
		YEARLY AVERAGES	
1	-4.480656	-4.938411	-4.015651
2	10.43546	10.05657	10.86273
3	15.96321	16.28036	15.65323

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-10.10262	-10.55074	-10.60922	-11.59623
2	-8.013303	-8.945903	-8.599823	-10.16053
3	-0.3869997	-1.642809	-0.8758273	-2.685391
4	-1.918211	-3.814130	-2.859306	-5.795343
5	2.806661	1.298295	1.687554	-1.034200
6	7.945540	6.061550	6.376127	2.745637
7	15.79252	13.67810	14.32760	10.62423
8	9.237697	7.105880	7.232967	2.962769
9	13.10378	12.04132	11.53057	8.756630
10	16.36348	15.43677	15.00254	12.37473
11	17.08325	16.72827	16.47119	15.09805
12	13.97853	14.08657	13.62843	12.89113
		YEARLY AVERAGES		
1	-5.105284	-6.238395	-5.736043	-7.559373
2	8.945605	7.035955	7.406061	3.824610
3	15.13226	14.57323	14.15818	12.28013

TABLE H.9 : IMPACT OF A IMPORT-PRICE SHOCK ON SPOT EXCHANGE RATE, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-0.3270064E-04	-0.3266340E-04	-0.3270601E-04	-0.3267411E-04
2	-0.6340582E-04	-0.6323105E-04	-0.6344102E-04	-0.6330245E-04
3	0.8140862E-03	0.8143885E-03	0.8140270E-03	0.8142604E-03
4	0.3147496E-02	0.3148155E-02	0.3147343E-02	0.3147820E-02
5	0.7194611E-02	0.7196787E-02	0.7193930E-02	0.7195356E-02
6	0.1309716E-01	0.1310386E-01	0.1309477E-01	0.1309894E-01
7	0.2098516E-01	0.2100218E-01	0.2097865E-01	0.2098900E-01
8	0.3122275E-01	0.3125824E-01	0.3120874E-01	0.3123042E-01
9	0.4412806E-01	0.4419123E-01	0.4410279E-01	0.4414202E-01
10	0.6015450E-01	0.6025041E-01	0.6011652E-01	0.6017824E-01
11	0.7958703E-01	0.7970444E-01	0.7954371E-01	0.7962566E-01
12	0.1024109	0.1025071	0.1023871	0.1024728
		YEARLY AVERAGES		
1	0.9663689E-03	0.9666623E-03	0.9663057E-03	0.9665260E-03
2	0.1812492E-01	0.1814027E-01	0.1811902E-01	0.1812843E-01
3	0.7157012E-01	0.7166329E-01	0.7153753E-01	0.7160468E-01

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-0.3271138E-04	-0.3268478E-04	-0.3273813E-04
2	-0.6347587E-04	-0.6337244E-04	-0.6357970E-04
3	0.8139707E-03	0.8141437E-03	0.8137978E-03
4	0.3147200E-02	0.3147523E-02	0.3146879E-02
5	0.7193278E-02	0.7194039E-02	0.7192521E-02
6	0.1309246E-01	0.1309432E-01	0.1309058E-01
7	0.2097227E-01	0.2097632E-01	0.2096810E-01
8	0.3119488E-01	0.3120307E-01	0.3118635E-01
9	0.4407748E-01	0.4409253E-01	0.4406173E-01
10	0.6007791E-01	0.6010348E-01	0.6005101E-01
11	0.7949850E-01	0.7953954E-01	0.7945514E-01
12	0.1023593	0.1024233	0.1022915
		YEARLY AVERAGES	
1	0.9662459E-03	0.9664024E-03	0.9660897E-03
2	0.1811322E-01	0.1811694E-01	0.1810939E-01
3	0.7150330E-01	0.7153971E-01	0.7146484E-01

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-0.3271673E-04	-0.3269540E-04	-0.3272207E-04	-0.3270597E-04
2	-0.6351035E-04	-0.6344099E-04	-0.6354448E-04	-0.6350811E-04
3	0.8139174E-03	0.8140385E-03	0.8138669E-03	0.8139447E-03
4	0.3147066E-02	0.3147263E-02	0.3146942E-02	0.3147042E-02
5	0.7192657E-02	0.7192838E-02	0.7192067E-02	0.7191753E-02
6	0.1309023E-01	0.1308998E-01	0.1308807E-01	0.1308594E-01
7	0.2096603E-01	0.2096415E-01	0.2095993E-01	0.2095252E-01
8	0.3118116E-01	0.3117626E-01	0.3116760E-01	0.3115005E-01
9	0.4405213E-01	0.4404285E-01	0.4402677E-01	0.4399312E-01
10	0.6003869E-01	0.6002631E-01	0.5999889E-01	0.5994692E-01
11	0.7945144E-01	0.7944619E-01	0.7940255E-01	0.7934579E-01
12	0.1023276	0.1023583	0.1022918	0.1022778
		YEARLY AVERAGES		
1	0.9661891E-03	0.9662913E-03	0.9661356E-03	0.9661932E-03
2	0.1810752E-01	0.1810581E-01	0.1810192E-01	0.1809507E-01
3	0.7146746E-01	0.7146841E-01	0.7143000E-01	0.7139091E-01

TABLE H.10: IMPACT OF A IMPORT-PRICE SHOCK ON CONSUMER EXPENDITURE, TOTAL, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	5.299049	5.344902	5.342836	5.432652
2	9.228806	9.626322	9.300463	9.771243
3	12.60401	13.38917	12.66339	13.51051
4	8.453879	9.585219	8.629845	9.935176
5	3.331347	4.444423	3.572147	4.924787
6	8.204063	9.507282	8.618071	10.33908
7	7.402941	8.346132	7.891477	9.326121
8	-3.108734	-2.850337	-2.353664	-1.349976
9	-12.91505	-13.26778	-12.08543	-11.62535
10	-21.09673	-22.38827	-19.84647	-19.94233
11	-19.56501	-22.23873	-17.86947	-18.97202
12	-52.38448	-56.51666	-50.22740	-52.41431
		YEARLY AVERAGES		
1	8.896436	9.486403	8.984133	9.662395
2	3.957404	4.861875	4.432008	5.810003
3	-26.49032	-28.60286	-25.00719	-25.73850

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	5.386650	5.520511	5.253003
2	9.371100	9.912092	8.820890
3	12.72029	13.62199	11.78362
4	8.803814	10.27718	7.254705
5	3.811059	5.397879	2.130441
6	9.029760	11.16196	6.769536
7	8.378821	10.30103	6.296947
8	-1.594823	0.1648855	-3.532200
9	-11.24851	-9.953996	-12.68258
10	-18.57571	-17.41726	-19.86098
11	-16.12901	-15.53461	-16.83464
12	-48.00218	-48.05383	-48.02475
		YEARLY AVERAGES	
1	9.070463	9.832943	8.278054
2	4.906204	6.756439	2.916181
3	-23.48885	-22.73992	-24.35074

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	5.430491	5.608480	5.474360	5.696560
2	9.440708	10.04879	9.509276	10.18125
3	12.77477	13.72398	12.82688	13.81687
4	8.975834	10.61161	9.145956	10.93888
5	4.048093	5.863794	4.283264	6.322652
6	9.439157	11.97607	9.846292	12.78167
7	8.865035	11.27126	9.350193	12.23741
8	-0.8320573	1.695376	-0.6519246E-01	3.242942
9	-10.40410	-8.252402	-9.552009	-6.518868
10	-17.28383	-14.80862	-15.97015	-12.11103
11	-14.34239	-11.91750	-12.50826	-8.109938
12	-45.70665	-43.41930	-43.33845	-38.49192
		YEARLY AVERAGES		
1	9.155451	9.998215	9.239118	10.15839
2	5.380057	7.701625	5.853639	8.646168
3	-21.93424	-19.59946	-20.34222	-16.30794

TABLE H.11: IMPACT OF A IMPORT-PRICE SHOCK ON INVESTMENT, TOTAL, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-1.012343	-1.012414	-1.012133	-1.011992
2	4.197463	4.167653	4.221739	4.216281
3	16.42223	16.32836	16.51885	16.52188
4	32.81415	32.66051	33.03492	33.10055
5	36.01377	35.87302	36.30441	36.44871
6	29.34593	29.09423	29.86087	30.10353
7	7.528772	7.092112	8.314927	8.622816
8	-28.17809	-28.79674	-27.17911	-26.86442
9	-81.17287	-81.56085	-80.37249	-80.01594
10	-131.5270	-132.2490	-130.6040	-130.4965
11	-175.5829	-177.0290	-174.3514	-174.7360
12	-209.6464	-211.9957	-208.0111	-209.0010
		YEARLY AVERAGES		
1	13.10537	13.03603	13.19084	13.20668
2	11.17760	10.81566	11.82527	12.07766
3	-149.4823	-150.7086	-148.3347	-148.5624

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-1.011923	-1.011568	-1.012269
2	4.246098	4.265237	4.226817
3	16.61547	16.71541	16.51404
4	33.25549	33.53979	32.96606
5	36.59549	37.02606	36.15182
6	30.37958	31.12714	29.59531
7	9.111023	10.19143	7.967460
8	-26.16211	-24.86382	-27.54151
9	-79.55404	-78.40289	-80.78496
10	-129.6494	-128.6259	-130.7593
11	-173.0626	-172.2314	-173.9796
12	-206.2816	-205.6618	-206.9747
		YEARLY AVERAGES	
1	13.27628	13.37722	13.17366
2	12.48100	13.37020	11.54327
3	-147.1369	-146.2305	-148.1246

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-1.011713	-1.011143	-1.011502	-1.010716
2	4.270537	4.314521	4.295059	4.364134
3	16.71207	16.90887	16.80866	17.10218
4	33.47583	33.97806	33.69593	34.41520
5	36.88700	37.60491	37.17893	38.18513
6	30.90204	32.16498	31.42823	33.21695
7	9.917131	11.79852	10.73332	13.44465
8	-25.12681	-22.79268	-24.07288	-20.64868
9	-78.71698	-76.71785	-77.86077	-74.95669
10	-128.6617	-126.6272	-127.6394	-124.4893
11	-171.7136	-169.4937	-170.3013	-166.4984
12	-204.4524	-201.9374	-202.5174	-197.7810
		YEARLY AVERAGES		
1	13.36168	13.54758	13.44704	13.71770
2	13.14484	14.69393	13.81690	16.04951
3	-145.8862	-143.6940	-144.5797	-140.9313

TABLE I.1 : IMPACT OF A IMPORT-PRICE SHOCK ON GNP GAP, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	66.73135	63.62768	68.18276	66.54540
2	113.7539	113.1908	114.9217	115.6184
3	189.3236	187.8473	190.4885	190.2427
4	226.3165	222.7269	228.0848	226.2525
5	281.7604	277.2490	284.7625	283.2250
6	150.8935	149.5360	153.6011	154.7451
7	252.3502	245.4148	257.0959	254.2970
8	225.1037	217.6707	229.1915	225.2809
9	255.8363	247.9062	261.0267	257.5789
10	174.6707	170.3992	178.8515	177.9280
11	267.5436	257.8272	273.0138	267.4538
12	242.2361	235.0233	246.1275	241.7169
		YEARLY AVERAGES		
1	149.0313	146.8482	150.4194	149.6647
2	227.5269	222.4676	231.1627	229.3870
3	235.0717	227.7890	239.7549	236.1694

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	69.65162	69.53398	69.75641
2	116.0936	118.0596	114.2897
3	191.6613	192.6661	190.5135
4	229.8846	229.9023	229.6778
5	287.8332	289.4742	286.1595
6	156.3785	160.2192	152.6139
7	261.9882	263.7315	259.8450
8	233.4110	233.3978	233.2258
9	266.4469	268.1209	264.6815
10	183.2764	186.3481	180.0781
11	278.8454	278.3749	279.0401
12	250.3279	249.5192	251.0832
		YEARLY AVERAGES	
1	151.8228	152.5405	151.0594
2	234.9027	236.7057	232.9610
3	244.7241	245.5908	243.7207

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	71.13778	72.59215	72.64107	75.71856
2	117.2685	120.5057	118.4451	122.9478
3	192.8413	195.1112	194.0276	197.5722
4	231.7159	233.6751	233.5784	237.5695
5	290.9724	295.9956	294.1799	302.7874
6	159.2253	165.9546	162.1411	171.9461
7	267.0291	273.7339	272.2203	284.3189
8	237.7637	242.0366	242.2514	251.2114
9	272.1052	279.5946	278.0100	292.0655
10	187.9557	195.7331	192.8996	206.1587
11	285.0576	290.7305	291.6704	304.6736
12	254.8562	258.5693	259.7321	269.0217
		YEARLY AVERAGES		
1	153.2409	155.4710	154.6730	158.4520
2	238.7476	244.4302	242.6982	252.5659
3	249.9937	256.1569	255.5780	267.9799

TABLE I.2 : IMPACT OF A IMPORT-PRICE SHOCK ON GNP, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	65.78334	65.78782	65.82395	65.86975
2	155.1886	155.2924	155.3314	155.5839
3	268.6464	269.0249	268.9482	269.6386
4	359.7467	360.1680	360.2576	361.2013
5	470.9856	471.3576	471.9634	473.3195
6	390.1716	390.0552	391.4587	392.6172
7	402.6701	402.0379	404.3797	405.4034
8	382.1628	380.7935	384.1409	384.6424
9	408.0236	405.5544	410.6077	410.5351
10	308.2927	305.1096	310.7820	309.8283
11	313.6189	309.6010	316.2882	314.5365
12	297.8872	293.4651	300.4650	298.0951
		YEARLY AVERAGES		
1	212.3413	212.5683	212.5903	213.0734
2	411.4975	411.0610	412.9857	413.9956
3	331.9556	328.4325	334.5357	333.2487

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	65.86464	65.95202	65.77958
2	155.4730	155.8709	155.0694
3	269.2473	270.2416	268.2310
4	360.7651	362.2210	359.2536
5	472.9380	475.2692	470.4923
6	392.7461	395.1817	390.1455
7	406.0953	408.7930	403.1902
8	386.1324	388.5451	383.5026
9	413.2213	415.6331	410.5636
10	313.3231	314.7482	311.6967
11	319.0449	319.8055	318.1072
12	303.1606	303.1706	303.0254
		YEARLY AVERAGES	
1	212.8375	213.5714	212.0834
2	414.4779	416.9472	411.8326
3	337.1875	338.3393	335.8482

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	65.90541	66.03462	65.94627	66.11756
2	155.6135	156.1533	155.7529	156.4312
3	269.5437	270.8336	269.8373	271.4143
4	361.2691	363.2268	361.7695	364.2182
5	473.9093	477.2059	474.8772	479.1290
6	394.0338	397.7475	395.3216	400.3133
7	407.8165	412.2049	409.5432	415.6376
8	388.1369	392.4999	390.1544	396.5048
9	415.8643	420.8475	418.5366	426.1774
10	315.9163	319.8722	318.5622	325.2037
11	321.8905	325.4186	324.8263	331.3871
12	305.9768	308.7113	308.9162	314.7384
		YEARLY AVERAGES		
1	213.0829	214.0621	213.3265	214.5453
2	415.9741	419.9145	417.4741	422.8962
3	339.9120	343.7124	342.7103	349.3766

TABLE I.3 : IMPACT OF A IMPORT-PRICE SHOCK ON EMPLOYMENT, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-1.809246	-0.9062327	-2.260611	-1.813535
2	7.376157	7.822957	6.901983	6.845623
3	20.98379	21.35338	20.65415	20.66166
4	40.61500	41.61123	40.27123	40.92140
5	62.94483	64.52603	62.37187	63.40013
6	80.19833	80.76083	79.84070	80.12503
7	84.50163	85.80960	83.87527	84.76003
8	92.52653	94.04920	92.20793	93.61460
9	98.25860	99.48727	98.05870	99.26550
10	98.13727	97.55800	98.48850	98.40703
11	91.98193	91.64003	92.29573	92.51080
12	93.14483	91.97770	94.03470	93.88190
		YEARLY AVERAGES		
1	16.79142	17.47033	16.39169	16.65379
2	80.04283	81.28642	79.57394	80.47495
3	95.38066	95.16575	95.71941	96.01631

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-2.717536	-2.743488	-2.686867
2	6.424423	5.855387	6.948830
3	20.32113	19.95750	20.70826
4	39.91633	40.18753	39.71713
5	61.77470	62.17667	61.39223
6	79.45957	79.39887	79.45280
7	83.21073	83.56630	82.87053
8	91.85557	93.04883	90.66650
9	97.80633	98.84323	96.71107
10	98.79230	99.08850	98.42317
11	92.54470	93.16430	91.88830
12	94.88620	95.66750	94.04227
		YEARLY AVERAGES	
1	15.98609	15.81423	16.17184
2	79.07514	79.54767	78.59552
3	96.00738	96.69088	95.26620

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-3.179954	-3.695550	-3.647793	-4.669147
2	5.943887	4.855577	5.460803	3.849567
3	19.98512	19.24402	19.64654	18.52425
4	39.55050	39.41127	39.17397	38.59410
5	61.15350	60.85707	60.50850	59.44323
6	79.05523	78.58443	78.62800	77.68463
7	82.50793	82.22650	81.76677	80.73957
8	91.46903	92.34737	91.04790	91.50657
9	97.49913	98.20217	97.13480	97.32403
10	99.04550	99.57913	99.24493	99.85587
11	92.72337	93.56057	92.82617	93.65763
12	95.69360	97.29200	96.45107	98.70903
		YEARLY AVERAGES		
1	15.57489	14.95383	15.15838	14.07469
2	78.54642	78.50384	77.98779	77.34350
3	96.24040	97.15847	96.41424	97.38664

TABLE I.4 : IMPACT OF A IMPORT-PRICE SHOCK ON RATE OF INFLATION, GNP, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.2171610E-01	0.2171610E-01	0.2171610E-01	0.2171610E-01
2	-0.6665809E-01	-0.6207992E-01	-0.6883762E-01	-0.6647662E-01
3	-0.2502715E-01	-0.2771224E-01	-0.2485798E-01	-0.2756257E-01
4	0.1318306E-01	0.1140246E-01	0.1439981E-01	0.1382585E-01
5	0.1073027	0.1096137	0.1075829	0.1103121
6	0.1915778	0.1927759	0.1910123	0.1916304
7	0.4686643	0.4632389	0.4700162	0.4662290
8	0.2671263	0.2692940	0.2669239	0.2694174
9	0.3601393	0.3608855	0.3625639	0.3655142
10	0.4181709	0.4151440	0.4201629	0.4186772
11	0.6262841	0.6174279	0.6301685	0.6248876
12	0.4671321	0.4681782	0.4682591	0.4706496
		YEARLY AVERAGES		
1	-0.2616739E-01	-0.2612990E-01	-0.2643193E-01	-0.2673778E-01
2	0.2586678	0.2587306	0.2588839	0.2593972
3	0.4679316	0.4654089	0.4702886	0.4699321

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.2171610E-01	0.2171610E-01	0.2171610E-01
2	-0.7103818E-01	-0.7100185E-01	-0.7107362E-01
3	-0.2475918E-01	-0.2735956E-01	-0.2230253E-01
4	0.1570327E-01	0.1632452E-01	0.1530004E-01
5	0.1078967	0.1110615	0.1051100
6	0.1903596	0.1903450	0.1901183
7	0.4714419	0.4693922	0.4731352
8	0.2667774	0.2695155	0.2643669
9	0.3650576	0.3704376	0.3595914
10	0.4220957	0.4223506	0.4216067
11	0.6342757	0.6328921	0.6353367
12	0.4694162	0.4733996	0.4655602
		YEARLY AVERAGES	
1	-0.2669803E-01	-0.2734563E-01	-0.2602537E-01
2	0.2591189	0.2600785	0.2581826
3	0.4727113	0.4747700	0.4705237

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.2171610E-01	0.2171610E-01	0.2171610E-01	0.2171610E-01
2	-0.7325977E-01	-0.7565562E-01	-0.7554724E-01	-0.8039261E-01
3	-0.2456044E-01	-0.2697832E-01	-0.2434752E-01	-0.2659284E-01
4	0.1696014E-01	0.1889584E-01	0.1821567E-01	0.2158549E-01
5	0.1082020	0.1116092	0.1085012	0.1121291
6	0.1896614	0.1889713	0.1890450	0.1874702
7	0.4729815	0.4728126	0.4744784	0.4764962
8	0.2664874	0.2695919	0.2663338	0.2696871
9	0.3676609	0.3757668	0.3702928	0.3814170
10	0.4241990	0.4260499	0.4262802	0.4298174
11	0.6384231	0.6415591	0.6427505	0.6508551
12	0.4706326	0.4762670	0.4719407	0.4793454
		YEARLY AVERAGES		
1	-0.2695335E-01	-0.2791270E-01	-0.2722636E-01	-0.2846665E-01
2	0.2593331	0.2607462	0.2595896	0.2614456
3	0.4752289	0.4799107	0.4778161	0.4853587

TABLE I.5 : IMPACT OF A IMPORT-PRICE SHOCK ON RATE OF INFLATION, CONSUMER EXPENDITURE, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.1314277E-01	0.1314277E-01	0.1314277E-01	0.1314277E-01
2	0.2457474	0.2468488	0.2452478	0.2457891
3	0.2925949	0.2923389	0.2924136	0.2919704
4	0.2063334	0.2061453	0.2063557	0.2062537
5	0.2185373	0.2189606	0.2186241	0.2190587
6	0.2252765	0.2256545	0.2251644	0.2254612
7	0.3062939	0.3053659	0.3065198	0.3059085
8	0.3074497	0.3079277	0.3074187	0.3079890
9	0.3670234	0.3673312	0.3675442	0.3683557
10	0.4205791	0.4206765	0.4209590	0.4213635
11	0.5230271	0.5218564	0.5238377	0.5234274
12	0.5690868	0.5700997	0.5691474	0.5703654
		YEARLY AVERAGES		
1	0.2482252	0.2484443	0.2480057	0.2480044
2	0.2643894	0.2644772	0.2644317	0.2646044
3	0.4699291	0.4699910	0.4703721	0.4708780

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.1314277E-01	0.1314277E-01	0.1314277E-01
2	0.2447037	0.2447438	0.2447117
3	0.2922867	0.2916292	0.2928104
4	0.2063842	0.2062933	0.2065608
5	0.2186693	0.2191251	0.2182117
6	0.2250118	0.2252341	0.2249191
7	0.3068309	0.3065774	0.3069693
8	0.3073818	0.3080210	0.3068500
9	0.3680381	0.3694806	0.3665505
10	0.4213423	0.4221865	0.4204596
11	0.5247050	0.5251646	0.5241136
12	0.5693106	0.5706615	0.5678514
		YEARLY AVERAGES	
1	0.2477915	0.2475554	0.2480276
2	0.2644735	0.2647394	0.2642375
3	0.4708490	0.4718733	0.4697438

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.1314277E-01	0.1314277E-01	0.1314277E-01	0.1314277E-01
2	0.2441630	0.2436164	0.2436259	0.2425037
3	0.2921204	0.2912695	0.2919144	0.2908891
4	0.2064665	0.2064054	0.2065563	0.2065402
5	0.2186731	0.2192051	0.2187258	0.2192524
6	0.2249494	0.2250168	0.2248021	0.2246818
7	0.3070574	0.3072038	0.3073699	0.3079190
8	0.3073807	0.3080717	0.3073317	0.3082249
9	0.3685471	0.3707078	0.3691526	0.3719980
10	0.4218073	0.4230710	0.4222358	0.4240191
11	0.5255917	0.5271430	0.5265745	0.5293222
12	0.5694575	0.5712139	0.5696257	0.5718607
		YEARLY AVERAGES		
1	0.2475833	0.2470971	0.2473656	0.2466443
2	0.2645151	0.2648744	0.2645574	0.2650195
3	0.4713509	0.4730340	0.4718972	0.4743000

TABLE I.6 : IMPACT OF A IMPORT-PRICE SHOCK ON LABOUR SHARE, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-0.5116250E-03	-0.4553014E-03	-0.5116319E-03	-0.4553170E-03
2	-0.5911020E-03	-0.5095277E-03	-0.5925749E-03	-0.5122069E-03
3	-0.1049616E-02	-0.9113901E-03	-0.1052731E-02	-0.9168703E-03
4	-0.1283128E-02	-0.1101072E-02	-0.1286909E-02	-0.1107591E-02
5	-0.1230335E-02	-0.1049919E-02	-0.1232886E-02	-0.1054325E-02
6	0.2520946E-03	0.2674914E-03	0.2519822E-03	0.2674156E-03
7	-0.1925669E-03	-0.1660528E-03	-0.1949336E-03	-0.1701824E-03
8	-0.1772237E-03	-0.1461264E-03	-0.1808743E-03	-0.1522038E-03
9	-0.1895860E-03	-0.1568714E-03	-0.1933181E-03	-0.1628775E-03
10	0.8623985E-03	0.7774290E-03	0.8625312E-03	0.7784614E-03
11	0.2074274E-03	0.1676895E-03	0.2047395E-03	0.1640018E-03
12	0.1075941E-03	0.9109624E-04	0.1050619E-03	0.8820006E-04
		YEARLY AVERAGES		
1	-0.8588677E-03	-0.7443228E-03	-0.8609617E-03	-0.7479963E-03
2	-0.3370077E-03	-0.2736517E-03	-0.3391779E-03	-0.2773239E-03
3	0.2469585E-03	0.2198358E-03	0.2447536E-03	0.2169464E-03

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-0.5116391E-03	-0.4553339E-03	-0.5678251E-03
2	-0.5940396E-03	-0.5148572E-03	-0.6764335E-03
3	-0.1055826E-02	-0.9222782E-03	-0.1194524E-02
4	-0.1290655E-02	-0.1113994E-02	-0.1477035E-02
5	-0.1235395E-02	-0.1058594E-02	-0.1424599E-02
6	0.2518496E-03	0.2672624E-03	0.2221108E-03
7	-0.1973156E-03	-0.1743711E-03	-0.2251232E-03
8	-0.1845709E-03	-0.1584493E-03	-0.2135688E-03
9	-0.1971403E-03	-0.1692004E-03	-0.2271888E-03
10	0.8624866E-03	0.7789113E-03	0.9420584E-03
11	0.2017508E-03	0.1593210E-03	0.2476173E-03
12	0.1021232E-03	0.8399335E-04	0.1227994E-03
		YEARLY AVERAGES	
1	-0.8630399E-03	-0.7516158E-03	-0.9789544E-03
2	-0.3413580E-03	-0.2810380E-03	-0.4102950E-03
3	0.2423051E-03	0.2132563E-03	0.2713216E-03

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-0.5116468E-03	-0.4553520E-03	-0.5116548E-03	-0.4553715E-03
2	-0.5954960E-03	-0.5174779E-03	-0.5969442E-03	-0.5200689E-03
3	-0.1058899E-02	-0.9276134E-03	-0.1061951E-02	-0.9328758E-03
4	-0.1294366E-02	-0.1120281E-02	-0.1298041E-02	-0.1126452E-02
5	-0.1237862E-02	-0.1062728E-02	-0.1240287E-02	-0.1066725E-02
6	0.2516972E-03	0.2670342E-03	0.2515253E-03	0.2667336E-03
7	-0.1997123E-03	-0.1786152E-03	-0.2021234E-03	-0.1829115E-03
8	-0.1883123E-03	-0.1648552E-03	-0.1920972E-03	-0.1714137E-03
9	-0.2010519E-03	-0.1758355E-03	-0.2050522E-03	-0.1827784E-03
10	0.8622612E-03	0.7787546E-03	0.8618515E-03	0.7779666E-03
11	0.1984546E-03	0.1536023E-03	0.1948440E-03	0.1467987E-03
12	0.9876621E-04	0.7839856E-04	0.9497896E-04	0.7133343E-04
		YEARLY AVERAGES		
1	-0.8651019E-03	-0.7551811E-03	-0.8671477E-03	-0.7586920E-03
2	-0.3435473E-03	-0.2847910E-03	-0.3457456E-03	-0.2885791E-03
3	0.2396075E-03	0.2087300E-03	0.2366556E-03	0.2033301E-03

TABLE I.7 : IMPACT OF A IMPORT-PRICE SHOCK ON PERSONAL INCOME TAX IN CURRENT DOLLARS, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	66.24765	66.11158	66.55702	66.73150
2	104.8462	105.6645	105.0896	106.1546
3	77.62423	77.94761	78.20011	79.06266
4	111.3208	111.4336	112.1404	113.0288
5	127.8794	127.7177	128.9937	129.9092
6	161.4277	160.5933	162.5925	162.8546
7	178.1084	175.4768	180.0920	179.3045
8	211.1779	207.4809	213.4265	211.8370
9	194.4336	190.1481	197.0664	195.2299
10	300.0092	294.9631	303.3549	301.3272
11	271.7323	263.7709	276.1110	271.9900
12	332.7677	322.9668	337.8324	332.4458
		YEARLY AVERAGES		
1	90.00972	90.28932	90.49678	91.24439
2	169.6483	167.8172	171.2762	170.9763
3	274.7357	267.9622	278.5912	275.2482

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	66.86657	67.35220	66.38216
2	105.3239	106.6079	104.0135
3	78.77267	80.16499	77.28027
4	112.9569	114.6131	111.1872
5	130.1072	132.0983	128.0253
6	163.7558	165.1096	162.2539
7	182.0887	183.1826	180.8131
8	215.6928	216.2640	215.0008
9	199.7460	200.4907	198.9876
10	306.7868	308.0146	305.5014
11	280.5895	280.5793	280.4761
12	343.0372	342.4489	343.5657
		YEARLY AVERAGES	
1	90.98001	92.18455	89.71578
2	172.9111	174.1636	171.5233
3	282.5399	282.8834	282.1327

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	67.17632	67.97367	67.48626	68.59591
2	105.5490	107.0241	105.7649	107.4030
3	79.34190	81.25476	79.90784	82.33221
4	113.7705	116.1868	114.5810	117.7504
5	131.2196	134.2841	132.3309	136.4656
6	164.9175	167.3568	166.0774	169.5953
7	184.0984	187.1117	186.1213	191.0927
8	217.9770	220.7628	220.2791	225.3344
9	202.4734	205.9379	205.2497	211.5798
10	310.3062	315.0340	313.9143	322.3956
11	285.1711	289.5626	289.8592	298.9669
12	348.3870	353.0123	353.8870	364.1765
		YEARLY AVERAGES		
1	91.45943	93.10983	91.93500	94.02038
2	174.5531	177.3788	176.2022	180.6220
3	286.5844	290.8867	290.7275	299.2797

TABLE I.8 : IMPACT OF A IMPORT-PRICE SHOCK ON LABOUR FORCE, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-4.810873	-3.771853	-5.331997	-4.819393
2	-2.207549	-1.504695	-2.858134	-2.840498
3	0.6700003	1.385709	0.5717627E-01	0.1146016
4	7.028027	8.540407	6.283667	7.032403
5	13.79319	16.18416	12.64402	13.88999
6	20.50166	22.08556	19.38763	19.93423
7	16.52210	19.16208	14.89959	16.15586
8	19.29237	22.56172	17.74857	19.76331
9	20.84553	24.27975	19.18900	21.28727
10	21.12431	22.98417	19.87397	20.82883
11	16.14547	18.45152	14.73637	16.15187
12	19.63729	21.20835	18.78371	19.97337
		YEARLY AVERAGES		
1	0.1699011	1.162392	-0.4623219	-0.1282217
2	17.52733	19.99838	16.16995	17.43585
3	19.43815	21.73094	18.14576	19.56033

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-5.859523	-5.893017	-5.820700
2	-3.513770	-4.195827	-2.881960
3	-0.5614327	-1.178334	0.7519187E-01
4	5.523907	5.463803	5.666150
5	11.46208	11.46447	11.50288
6	18.23626	17.63784	18.79324
7	13.21686	12.91929	13.56763
8	16.13983	16.71253	15.62372
9	17.43592	17.92349	16.94983
10	18.51753	18.28094	18.74140
11	13.18427	13.34093	13.05283
12	17.79488	18.26093	17.32463
		YEARLY AVERAGES	
1	-1.102705	-1.450844	-0.7403295
2	14.76376	14.68353	14.87187
3	16.73315	16.95157	16.51717

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-6.393373	-6.992093	-6.933470	-8.115970
2	-4.173957	-5.566737	-4.838203	-6.949220
3	-1.185252	-2.488652	-1.813712	-3.812000
4	4.749217	3.838030	3.960060	2.158530
5	10.24787	8.911320	9.001950	6.234873
6	17.04818	15.20133	15.82412	12.63078
7	11.47414	9.453393	9.671743	5.760497
8	14.46608	13.40710	12.72735	9.846323
9	15.58395	14.16930	13.63080	10.00654
10	17.05112	15.31155	15.47092	11.89285
11	11.48190	9.964660	9.621903	5.967477
12	16.66184	16.00369	15.37543	13.13007
		YEARLY AVERAGES		
1	-1.750841	-2.802363	-2.406331	-4.179665
2	13.30907	11.74329	11.80629	8.618117
3	15.19470	13.86230	13.52476	10.24924

TABLE I.9 : IMPACT OF A IMPORT-PRICE SHOCK ON SPOT EXCHANGE RATE, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.1109693E-05	0.1189819E-05	0.1104070E-05	0.1178724E-05
2	0.1749174E-03	0.1752906E-03	0.1748567E-03	0.1751696E-03
3	0.2397733E-02	0.2398605E-02	0.2397611E-02	0.2398356E-02
4	0.7379159E-02	0.7381487E-02	0.7378752E-02	0.7380642E-02
5	0.1561267E-01	0.1561965E-01	0.1561088E-01	0.1561594E-01
6	0.2700210E-01	0.2702083E-01	0.2699610E-01	0.2700854E-01
7	0.4175987E-01	0.4180207E-01	0.4174485E-01	0.4177171E-01
8	0.5998487E-01	0.6006761E-01	0.5995319E-01	0.6000456E-01
9	0.8198032E-01	0.8212411E-01	0.8192241E-01	0.8201068E-01
10	0.1084237	0.1086391	0.1083358	0.1084701
11	0.1406984	0.1409683	0.1405929	0.1407717
12	0.1786523	0.1789232	0.1785624	0.1787684
		YEARLY AVERAGES		
1	0.2488230E-02	0.2489143E-02	0.2488081E-02	0.2488837E-02
2	0.3608988E-01	0.3612754E-01	0.3607625E-01	0.3610019E-01
3	0.1274387	0.1276637	0.1273534	0.1275052

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.1098487E-05	0.1167784E-05	0.1028887E-05
2	0.1747955E-03	0.1750465E-03	0.1745442E-03
3	0.2397489E-02	0.2398104E-02	0.2396869E-02
4	0.7378351E-02	0.7379814E-02	0.7376870E-02
5	0.1560913E-01	0.1561238E-01	0.1560583E-01
6	0.2699022E-01	0.2699669E-01	0.2698362E-01
7	0.4173005E-01	0.4174213E-01	0.4171769E-01
8	0.5992174E-01	0.5994226E-01	0.5990068E-01
9	0.8186442E-01	0.8189665E-01	0.8183112E-01
10	0.1082467	0.1082963	0.1081952
11	0.1404839	0.1405613	0.1404028
12	0.1784649	0.1785846	0.1783389
		YEARLY AVERAGES	
1	0.2487933E-02	0.2488533E-02	0.2487328E-02
2	0.3606278E-01	0.3607336E-01	0.3605195E-01
3	0.1272650	0.1273347	0.1271920

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.1092942E-05	0.1157001E-05	0.1087437E-05	0.1146373E-05
2	0.1747338E-03	0.1749212E-03	0.1746715E-03	0.1747938E-03
3	0.2397367E-02	0.2397850E-02	0.2397244E-02	0.2397595E-02
4	0.7377955E-02	0.7379005E-02	0.7377564E-02	0.7378217E-02
5	0.1560742E-01	0.1560896E-01	0.1560575E-01	0.1560569E-01
6	0.2698446E-01	0.2698529E-01	0.2697882E-01	0.2697435E-01
7	0.4171547E-01	0.4171339E-01	0.4170113E-01	0.4168553E-01
8	0.5989053E-01	0.5988081E-01	0.5985958E-01	0.5982034E-01
9	0.8180636E-01	0.8178223E-01	0.8174826E-01	0.8166765E-01
10	0.1081565	0.1081179	0.1080652	0.1079352
11	0.1403714	0.1403371	0.1402555	0.1400996
12	0.1783599	0.1783715	0.1782473	0.1781288
		YEARLY AVERAGES		
1	0.2487787E-02	0.2488233E-02	0.2487642E-02	0.2487938E-02
2	0.3604947E-01	0.3604711E-01	0.3603632E-01	0.3602148E-01
3	0.1271735	0.1271522	0.1270791	0.1269578

TABLE I.10: IMPACT OF A IMPORT-PRICE SHOCK ON CONSUMER EXPENDITURE, TOTAL, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	6.156622	6.244797	6.219454	6.370790
2	17.76190	18.23287	17.82505	18.36307
3	10.35650	11.26208	10.47247	11.49523
4	1.309608	2.342177	1.486026	2.693858
5	4.286181	5.676184	4.635862	6.377481
6	2.385784	3.609376	2.786712	4.413582
7	-9.184354	-8.381459	-8.595494	-7.208271
8	-18.28980	-17.97800	-17.66119	-16.72662
9	-25.32924	-25.44164	-24.39733	-23.59632
10	-28.83525	-29.74465	-27.70512	-27.53374
11	-61.88410	-63.86671	-60.40751	-61.02133
12	-74.62493	-76.98010	-73.11655	-74.10194
		YEARLY AVERAGES		
1	8.896157	9.520481	9.000750	9.730737
2	-5.200547	-4.268475	-4.708527	-3.285957
3	-47.66838	-49.00827	-46.40663	-46.56333

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	6.282335	6.496975	6.068255
2	17.88587	18.48390	17.27687
3	10.58565	11.71724	9.411825
4	1.660585	3.038198	0.2186355
5	4.983458	7.070690	2.793067
6	3.184739	5.206173	1.018357
7	-8.007175	-6.037269	-10.15439
8	-17.03055	-15.46667	-18.73947
9	-23.45671	-21.71633	-25.34433
10	-26.55498	-25.24569	-28.01475
11	-58.89856	-58.05162	-59.88518
12	-71.57053	-71.07893	-72.15798
		YEARLY AVERAGES	
1	9.103610	9.934078	8.243896
2	-4.217382	-2.306769	-6.270609
3	-45.12019	-44.02314	-46.35056

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	6.345262	6.623351	6.408237	6.749921
2	17.94437	18.59532	18.00054	18.69731
3	10.69607	11.92819	10.80372	12.12819
4	1.833305	3.375369	2.004209	3.705567
5	5.328961	7.755731	5.672364	8.432546
6	3.579833	5.986860	3.971966	6.755429
7	-7.419393	-4.868452	-6.832134	-3.701662
8	-16.39785	-14.19802	-15.76308	-12.92040
9	-22.50727	-19.80079	-21.54884	-17.84852
10	-25.38461	-22.87898	-24.19373	-20.43153
11	-57.35664	-54.95322	-55.78108	-51.72082
12	-69.98601	-67.90460	-68.36204	-64.57130
		YEARLY AVERAGES		
1	9.204752	10.13056	9.304176	10.32025
2	-3.727112	-1.330970	-3.237721	-0.3585217
3	-43.80863	-41.38440	-42.47142	-38.64304

TABLE I.11: IMPACT OF A IMPORT-PRICE SHOCK ON INVESTMENT, TOTAL, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-1.165832	-1.165801	-1.165548	-1.165226
2	2.740953	2.722887	2.761851	2.764867
3	16.62432	16.59126	16.70361	16.75066
4	28.75608	28.73039	28.88170	28.98177
5	36.14085	36.06200	36.39494	36.56481
6	32.36227	32.19937	32.77266	33.00641
7	17.57119	17.36133	18.09246	18.38080
8	-8.308143	-8.438468	-7.840424	-7.525287
9	-35.25499	-35.59123	-34.66789	-34.45818
10	-61.12950	-61.90124	-60.31942	-60.35835
11	-81.53166	-82.91337	-80.40519	-80.79446
12	-105.9403	-107.4901	-104.7967	-105.3572
		YEARLY AVERAGES		
1	11.73888	11.71968	11.79540	11.83302
2	19.44154	19.29606	19.85491	20.10668
3	-70.96411	-71.97398	-70.04730	-70.24205

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-1.165262	-1.164649	-1.165859
2	2.782822	2.807138	2.758525
3	16.78272	16.90927	16.65569
4	29.00696	29.23168	28.77806
5	36.64952	37.06942	36.21322
6	33.18587	33.82426	32.51621
7	18.61935	19.42177	17.77439
8	-7.366762	-6.589487	-8.190635
9	-34.06929	-33.28163	-34.91708
10	-59.48694	-58.73121	-60.31250
11	-79.23857	-78.52594	-80.02176
12	-103.6053	-103.0472	-104.2243
		YEARLY AVERAGES	
1	11.85181	11.94586	11.75660
2	20.27199	20.93149	19.57830
3	-69.10002	-68.39649	-69.86891

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-1.164976	-1.164070	-1.164690	-1.163488
2	2.803866	2.849702	2.824983	2.892560
3	16.86162	17.06704	16.94032	17.22389
4	29.13185	29.47998	29.25634	29.72654
5	36.90456	37.57562	37.16005	38.08323
6	33.60189	34.65282	34.02070	35.49200
7	19.15189	20.48445	19.69010	21.56905
8	-6.887072	-5.630440	-6.401266	-4.647489
9	-33.45889	-32.05941	-32.83639	-30.78919
10	-58.63132	-57.01431	-57.75179	-55.20170
11	-78.03020	-76.09601	-76.77840	-73.49176
12	-102.3639	-100.5445	-101.0703	-97.83145
		YEARLY AVERAGES		
1	11.90809	12.05816	11.96424	12.16988
2	20.69282	21.77061	21.11740	22.62420
3	-68.12108	-66.42856	-67.10922	-64.32852

TABLE J.1 : IMPACT OF A DEMAND SHOCK ON GNP GAP, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	69.58248	68.90166	69.96455	69.70722
2	57.27830	56.34414	57.79941	57.39728
3	86.97342	85.49877	87.99118	87.52563
4	80.46584	79.93036	81.91784	82.79292
5	111.8724	109.1112	114.2595	113.6802
6	111.9702	107.8566	114.3887	112.4840
7	127.5808	123.2183	130.9124	129.6472
8	96.82851	93.53079	100.9061	101.2463
9	159.1223	149.6648	165.4897	161.4645
10	139.1556	129.2050	145.0354	140.1146
11	157.1761	145.2091	165.4536	160.4492
12	114.3228	104.2089	123.2307	120.3252
		YEARLY AVERAGES		
1	73.57501	72.66873	74.41824	74.35576
2	112.0630	108.4292	115.1167	114.2644
3	142.4442	132.0719	149.8023	145.5884

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	70.35340	70.54015	70.19639
2	58.32626	58.47144	58.15543
3	89.01848	89.58988	88.43846
4	83.38864	85.72770	81.13497
5	116.6818	118.3832	114.7382
6	116.8408	117.2476	116.2801
7	134.3307	136.4150	132.2383
8	105.1219	109.4766	100.7352
9	172.0927	174.1411	169.6335
10	151.1443	151.8952	150.2338
11	174.2227	177.4997	170.9074
12	132.7706	138.7066	126.7661
		YEARLY AVERAGES	
1	75.27169	76.08229	74.48131
2	118.2438	120.3806	115.9979
3	157.5576	160.5606	154.3852

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	70.74899	71.40013	71.15128	72.28681
2	58.85852	59.56401	59.39585	60.67227
3	90.05479	91.68764	91.09959	93.81505
4	84.87769	88.73059	86.38441	91.79751
5	119.1383	123.2148	121.6283	128.1695
6	119.3256	122.1412	121.8422	127.1585
7	137.8368	143.5310	141.4319	151.0048
8	109.4784	118.2386	113.9780	127.5489
9	178.9370	187.7398	186.0284	202.3109
10	157.4916	164.6212	164.0883	178.3981
11	183.5244	196.6654	193.4080	218.4127
12	143.0053	159.8191	154.0159	184.5462
		YEARLY AVERAGES		
1	76.13500	77.84559	77.00778	79.64291
2	121.4448	126.7814	124.7201	133.4704
3	165.7396	177.2114	174.3851	195.9170

TABLE J.2 : IMPACT OF A DEMAND SHOCK ON GNP, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	72.41851	72.53760	72.43677	72.57419
2	94.70623	94.90238	94.75943	95.01028
3	135.4183	135.7749	135.5379	136.0153
4	147.0567	147.4636	147.2643	147.8771
5	163.3401	163.8215	163.6989	164.5317
6	167.8136	168.1529	168.2998	169.1068
7	192.5628	192.7163	193.3021	194.1606
8	172.0990	171.7946	173.0313	173.6016
9	187.7460	186.9063	189.0758	189.4552
10	184.1360	182.7228	185.6916	185.6595
11	204.0858	201.5430	206.3407	205.7377
12	177.4435	173.8998	180.1941	178.9213
		YEARLY AVERAGES		
1	112.3999	112.6696	112.4996	112.8692
2	173.9539	174.1213	174.5830	175.3502
3	188.3528	186.2680	190.3255	189.9434

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	72.45504	72.61078	72.29954
2	94.81286	95.11907	94.50128
3	135.6577	136.2563	135.0384
4	147.4724	148.2929	146.6135
5	164.0587	165.2459	162.8130
6	168.7880	170.0686	167.4286
7	194.0459	195.6232	192.3629
8	173.9753	175.4541	172.3897
9	190.4329	192.1075	188.6375
10	187.2974	188.7826	185.6905
11	208.7060	210.3322	206.9561
12	183.1372	184.6245	181.5553
		YEARLY AVERAGES	
1	112.5995	113.0698	112.1132
2	175.2170	176.5979	173.7485
3	192.3934	193.9617	190.7098

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	72.47332	72.64740	72.49159	72.68403
2	94.86651	95.22872	94.92038	95.33924
3	135.7777	136.4980	135.8978	136.7400
4	147.6811	148.7106	147.8903	149.1302
5	164.4195	165.9638	164.7813	166.6850
6	169.2781	171.0378	169.7701	172.0137
7	194.7943	197.1037	195.5472	198.6018
8	174.9312	177.3540	175.8994	179.3043
9	191.8187	194.8732	193.2346	197.7666
10	188.9582	192.1264	190.6796	195.7487
11	211.1975	215.4442	213.8368	221.3051
12	186.3083	191.2760	189.7593	199.5075
		YEARLY AVERAGES		
1	112.6997	113.2712	112.8000	113.4734
2	175.8558	177.8648	176.4995	179.1512
3	194.5707	198.4299	196.8776	203.5820

TABLE J.3 : IMPACT OF A DEMAND SHOCK ON EMPLOYMENT, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	2.730525	2.937611	2.606196	2.675767
2	7.841630	8.263453	7.636720	7.845587
3	14.24174	14.92155	13.88795	14.21755
4	21.32128	21.71412	20.85560	20.80454
5	21.30740	22.21373	20.63932	20.94533
6	24.83225	26.28492	24.20397	25.10161
7	31.21396	32.72872	30.51542	31.39799
8	37.29620	38.00640	36.56830	36.65940
9	31.79929	33.71077	30.65759	31.66047
10	35.04160	37.30843	34.15120	35.72190
11	38.75567	41.00980	37.68567	39.09710
12	45.68340	46.46830	44.76210	44.90603
		YEARLY AVERAGES		
1	11.53379	11.95918	11.24662	11.38586
2	28.66245	29.80844	27.98175	28.52608
3	37.81999	39.62432	36.81414	37.84638

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	2.479681	2.405083	2.544579
2	7.429487	7.418800	7.447677
3	13.53083	13.50035	13.56494
4	20.38436	19.87367	20.86478
5	19.96278	19.64401	20.33052
6	23.56831	23.88628	23.29840
7	29.79671	29.98563	29.58951
8	35.80607	35.18430	36.38373
9	29.46269	29.41193	29.57686
10	33.21759	33.96547	32.49218
11	36.52480	36.84137	36.15250
12	43.72450	42.92700	44.45263
		YEARLY AVERAGES	
1	10.95609	10.79947	11.10549
2	27.28347	27.17505	27.40054
3	35.73240	35.78644	35.66854

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	2.350996	2.125693	2.220157	1.837742
2	7.220063	6.984150	7.008590	6.542730
3	13.17062	12.77188	12.80760	12.03411
4	19.90790	18.92387	19.42652	17.95753
5	19.27828	18.31318	18.58632	16.95648
6	22.92583	22.64277	22.27711	21.37518
7	29.05790	28.49211	28.29911	26.91832
8	35.00930	33.58013	34.17793	31.84703
9	28.21453	26.96351	26.91319	24.31535
10	32.24065	32.03580	31.22031	29.92929
11	35.26753	34.20020	33.90780	31.12018
12	42.56280	40.47343	41.26847	37.46920
		YEARLY AVERAGES		
1	10.66239	10.20140	10.36572	9.593028
2	26.56783	25.75705	25.83512	24.27425
3	34.57138	33.41824	33.32744	30.70850

TABLE J.4 : IMPACT OF A DEMAND SHOCK ON RATE OF INFLATION, GNP, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.1028297	-0.1016349	-0.1034270	-0.1030857
3	0.3562556E-03	0.1248059E-02	-0.5598729E-04	0.4383338E-03
4	0.1098790E-01	0.1155148E-01	0.1038322E-01	0.1067784E-01
5	0.6780972E-01	0.6543372E-01	0.6756864E-01	0.6492980E-01
6	-0.1548113E-02	-0.5525341E-04	-0.1956839E-02	-0.5000998E-03
7	0.4936012E-01	0.5137132E-01	0.5053174E-01	0.5356155E-01
8	0.7973693E-01	0.7750758E-01	0.8103247E-01	0.7985843E-01
9	0.1593371	0.1529970	0.1609007	0.1560701
10	0.3090210E-01	0.3450445E-01	0.3113330E-01	0.3533592E-01
11	0.1152214	0.1137062	0.1196936	0.1220455
12	0.1291104	0.1228540	0.1324022	0.1289760
		YEARLY AVERAGES		
1	-0.3049517E-01	-0.2961180E-01	-0.3103326E-01	-0.3065650E-01
2	0.4883966E-01	0.4856434E-01	0.4929400E-01	0.4946242E-01
3	0.1086427	0.1060154	0.1110325	0.1106069

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.1041950	-0.1045364	-0.1038537
3	-0.5478562E-03	-0.3777239E-03	-0.5511344E-03
4	0.1003450E-01	0.9644620E-02	0.1041568E-01
5	0.6740694E-01	0.6474565E-01	0.6975272E-01
6	-0.2369717E-02	-0.1178938E-02	-0.3036272E-02
7	0.5170549E-01	0.5598501E-01	0.4742325E-01
8	0.8239675E-01	0.8213589E-01	0.8214032E-01
9	0.1623209	0.1593217	0.1652634
10	0.3136028E-01	0.3607216E-01	0.2721783E-01
11	0.1243858	0.1310116	0.1173531
12	0.1358073	0.1350848	0.1358734
		YEARLY AVERAGES	
1	-0.3156946E-01	-0.3175649E-01	-0.3132971E-01
2	0.4978487E-01	0.5042190E-01	0.4907001E-01
3	0.1134685	0.1153726	0.1114269

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.1049630	-0.1060724	-0.1056457	-0.1076938
3	-0.7921930E-03	-0.1197652E-02	-0.1290447E-02	-0.1855694E-02
4	0.9510988E-02	0.8859226E-02	0.8996899E-02	0.7828604E-02
5	0.6717009E-01	0.6441595E-01	0.6701661E-01	0.6417713E-01
6	-0.2858920E-02	-0.1864678E-02	-0.3199548E-02	-0.2406691E-02
7	0.5295735E-01	0.5849796E-01	0.5421197E-01	0.6117346E-01
8	0.8362155E-01	0.8441416E-01	0.8491512E-01	0.8654452E-01
9	0.1639404	0.1625502	0.1654835	0.1659569
10	0.3164630E-01	0.3698146E-01	0.3185999E-01	0.3779346E-01
11	0.1292917	0.1407763	0.1344129	0.1515110
12	0.1390077	0.1409609	0.1423767	0.1465163
		YEARLY AVERAGES		
1	-0.3208142E-01	-0.3280361E-01	-0.3264643E-01	-0.3390696E-01
2	0.5022252E-01	0.5136585E-01	0.5073604E-01	0.5237211E-01
3	0.1159715	0.1203172	0.1185333	0.1254444

TABLE J.5 : IMPACT OF A DEMAND SHOCK ON RATE OF INFLATION, CONSUMER EXPENDITURE, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.2411714E-01	-0.2376634E-01	-0.2420484E-01	-0.2411714E-01
3	-0.9348629E-02	-0.9185655E-02	-0.9603806E-02	-0.9434552E-02
4	-0.8872386E-02	-0.8467332E-02	-0.9114522E-02	-0.8953462E-02
5	0.9462850E-02	0.9201653E-02	0.9312833E-02	0.8736585E-02
6	0.1149575E-02	0.1373701E-02	0.9285255E-03	0.1093668E-02
7	0.1573771E-01	0.1632945E-01	0.1584277E-01	0.1653775E-01
8	0.2600700E-01	0.2580373E-01	0.2618871E-01	0.2623813E-01
9	0.5371771E-01	0.5236794E-01	0.5425029E-01	0.5328195E-01
10	0.3874881E-01	0.3896997E-01	0.3903633E-01	0.3983147E-01
11	0.6158539E-01	0.6099658E-01	0.6286340E-01	0.6341123E-01
12	0.6893055E-01	0.6744233E-01	0.7028086E-01	0.6988674E-01
		YEARLY AVERAGES		
1	-0.1411272E-01	-0.1380644E-01	-0.1430772E-01	-0.1416838E-01
2	0.1308928E-01	0.1317713E-01	0.1306821E-01	0.1315153E-01
3	0.5574561E-01	0.5494421E-01	0.5660772E-01	0.5660285E-01

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.2438023E-01	-0.2446793E-01	-0.2429253E-01
3	-0.9857093E-02	-0.9769754E-02	-0.9773291E-02
4	-0.9270884E-02	-0.9437955E-02	-0.9192291E-02
5	0.9162865E-02	0.8516603E-02	0.9806806E-02
6	0.6278195E-03	0.5696572E-03	0.6839042E-03
7	0.1602747E-01	0.1674980E-01	0.1530363E-01
8	0.2644592E-01	0.2682666E-01	0.2613753E-01
9	0.5463642E-01	0.5419620E-01	0.5492767E-01
10	0.3946808E-01	0.4047357E-01	0.3839029E-01
11	0.6420519E-01	0.6609366E-01	0.6231723E-01
12	0.7161853E-01	0.7249743E-01	0.7060687E-01
		YEARLY AVERAGES	
1	-0.1450274E-01	-0.1455855E-01	-0.1441937E-01
2	0.1306602E-01	0.1316568E-01	0.1298297E-01
3	0.5748205E-01	0.5831522E-01	0.5656052E-01

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.2455563E-01	-0.2481873E-01	-0.2473103E-01	-0.2516952E-01
3	-0.9939431E-02	-0.1019128E-01	-0.1010755E-01	-0.1052803E-01
4	-0.9516019E-02	-0.9753846E-02	-0.9758932E-02	-0.1024033E-01
5	0.8930108E-02	0.8051665E-02	0.8780192E-02	0.7750631E-02
6	0.4062797E-03	0.2084392E-03	0.1050151E-03	-0.2357161E-03
7	0.1613336E-01	0.1704066E-01	0.1631898E-01	0.1748785E-01
8	0.2670372E-01	0.2734025E-01	0.2696215E-01	0.2770163E-01
9	0.5509587E-01	0.5525799E-01	0.5555590E-01	0.5624915E-01
10	0.3975410E-01	0.4110814E-01	0.4003943E-01	0.4195615E-01
11	0.6561479E-01	0.6889633E-01	0.6715913E-01	0.7195632E-01
12	0.7294780E-01	0.7526739E-01	0.7433080E-01	0.7798767E-01
		YEARLY AVERAGES		
1	-0.1467036E-01	-0.1492129E-01	-0.1486584E-01	-0.1531263E-01
2	0.1304337E-01	0.1316025E-01	0.1304158E-01	0.1317610E-01
3	0.5835314E-01	0.6013246E-01	0.5927132E-01	0.6203732E-01

TABLE J.6 : IMPACT OF A DEMAND SHOCK ON LABOUR SHARE, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-0.4888278E-03	-0.4355445E-03	-0.4887112E-03	-0.4353361E-03
2	-0.4177344E-03	-0.3569483E-03	-0.4182452E-03	-0.3578999E-03
3	-0.4503344E-03	-0.3859536E-03	-0.4510908E-03	-0.3873046E-03
4	-0.1099373E-03	-0.8219878E-04	-0.1102561E-03	-0.8275328E-04
5	-0.2172914E-03	-0.1873535E-03	-0.2178924E-03	-0.1884220E-03
6	-0.2031081E-03	-0.1727294E-03	-0.2038841E-03	-0.1740691E-03
7	-0.2065644E-03	-0.1768666E-03	-0.2073062E-03	-0.1781361E-03
8	0.2283382E-03	0.2132421E-03	0.2271234E-03	0.2112689E-03
9	-0.4499993E-04	-0.4141429E-04	-0.4788368E-04	-0.4618279E-04
10	-0.2800728E-04	-0.1978130E-04	-0.3135060E-04	-0.2504630E-04
11	-0.9127461E-04	-0.7304740E-04	-0.9630115E-04	-0.8087821E-04
12	0.3244250E-03	0.2995703E-03	0.3196196E-03	0.2925260E-03
		YEARLY AVERAGES		
1	-0.3667085E-03	-0.3151613E-03	-0.3670758E-03	-0.3158235E-03
2	-0.9965642E-04	-0.8092685E-04	-0.1004898E-03	-0.8233957E-04
3	0.4003579E-04	0.4133183E-04	0.3602104E-04	0.3510467E-04

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-0.4885947E-03	-0.4351277E-03	-0.5418572E-03
2	-0.4187546E-03	-0.3588463E-03	-0.4818982E-03
3	-0.4518413E-03	-0.3886349E-03	-0.5191579E-03
4	-0.1105736E-03	-0.8330357E-04	-0.1427646E-03
5	-0.2184859E-03	-0.1894657E-03	-0.2502291E-03
6	-0.2046534E-03	-0.1753886E-03	-0.2363175E-03
7	-0.2080481E-03	-0.1794099E-03	-0.2385903E-03
8	0.2258637E-03	0.2091426E-03	0.2398921E-03
9	-0.5085462E-04	-0.5124040E-04	-0.4977701E-04
10	-0.3489215E-04	-0.3094499E-04	-0.3860216E-04
11	-0.1017543E-03	-0.9003435E-04	-0.1134815E-03
12	0.3142246E-03	0.2837126E-03	0.3434440E-03
		YEARLY AVERAGES	
1	-0.3674410E-03	-0.3164781E-03	-0.4214195E-03
2	-0.1013309E-03	-0.8378040E-04	-0.1213112E-03
3	0.3168088E-04	0.2787322E-04	0.3539583E-04

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-0.4884781E-03	-0.4349193E-03	-0.4883615E-03	-0.4347108E-03
2	-0.4192624E-03	-0.3597873E-03	-0.4197688E-03	-0.3607230E-03
3	-0.4525857E-03	-0.3899444E-03	-0.4533241E-03	-0.3912330E-03
4	-0.1108896E-03	-0.8384956E-04	-0.1112042E-03	-0.8439118E-04
5	-0.2190718E-03	-0.1904840E-03	-0.2196500E-03	-0.1914764E-03
6	-0.2054156E-03	-0.1766864E-03	-0.2061706E-03	-0.1779607E-03
7	-0.2087901E-03	-0.1806885E-03	-0.2095325E-03	-0.1819734E-03
8	0.2245578E-03	0.2068536E-03	0.2232040E-03	0.2043886E-03
9	-0.5391902E-04	-0.5662912E-04	-0.5708466E-04	-0.6241344E-04
10	-0.3865761E-04	-0.3764738E-04	-0.4268086E-04	-0.4545288E-04
11	-0.1077113E-03	-0.1010226E-03	-0.1142811E-03	-0.1148987E-03
12	0.3081116E-03	0.2722905E-03	0.3010860E-03	0.2560688E-03
		YEARLY AVERAGES		
1	-0.3678039E-03	-0.3171251E-03	-0.3681646E-03	-0.3177645E-03
2	-0.1021799E-03	-0.8525132E-04	-0.1030373E-03	-0.8675547E-04
3	0.2695592E-04	0.1924785E-04	0.2175984E-04	0.8325945E-05

TABLE J.7 : IMPACT OF A DEMAND SHOCK ON PERSONAL INCOME TAX IN CURRENT DOLLARS, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	4.720402	4.919703	4.750916	4.980941
2	4.423206	4.653693	4.441624	4.688591
3	9.347543	9.605456	9.377664	9.664771
4	6.607498	6.827629	6.624416	6.858693
5	16.06534	16.16397	16.15091	16.33317
6	16.86482	16.96592	16.94688	17.13454
7	20.63514	20.70779	20.78977	21.02139
8	19.53494	19.33496	19.77491	19.80138
9	30.53524	29.91916	30.99457	30.80307
10	33.26592	32.58941	33.79725	33.62319
11	36.24705	35.32624	37.08771	36.92186
12	50.55168	48.85414	51.90983	51.39686
		YEARLY AVERAGES		
1	6.274662	6.501620	6.298655	6.548249
2	18.27506	18.29316	18.41562	18.57262
3	37.64997	36.67224	38.44734	38.18624

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	4.781445	5.042239	4.521736
2	4.459474	4.721161	4.181194
3	9.407008	9.721090	9.075152
4	6.640964	6.888267	6.368333
5	16.23543	16.49853	15.93957
6	17.02777	17.29902	16.73660
7	20.94562	21.33956	20.54495
8	20.01848	20.28023	19.72743
9	31.46241	31.71972	31.16979
10	34.34128	34.70610	33.96253
11	37.96645	38.65761	37.26232
12	53.33202	54.17142	52.44033
		YEARLY AVERAGES	
1	6.322223	6.593189	6.036604
2	18.55682	18.85433	18.23714
3	39.27554	39.81371	38.70874

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	4.811989	5.103597	4.842548	5.165016
2	4.476748	4.751348	4.493441	4.779098
3	9.435583	9.774474	9.463396	9.824995
4	6.657178	6.916626	6.673092	6.944049
5	16.31892	16.66012	16.40140	16.81802
6	17.10751	17.45958	17.18616	17.61652
7	21.10282	21.66320	21.26153	21.99340
8	20.26582	20.77292	20.51717	21.28117
9	31.93918	32.67240	32.42536	33.66532
10	34.89904	35.84584	35.47174	37.05348
11	38.88675	40.55934	39.85287	42.66788
12	54.82410	57.22167	56.39373	60.63416
		YEARLY AVERAGES		
1	6.345374	6.636511	6.368119	6.678289
2	18.69877	19.13895	18.84156	19.42728
3	40.13727	41.57481	41.03592	43.50521

TABLE J.8 : IMPACT OF A DEMAND SHOCK ON LABOUR FORCE, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.1383535	0.3717317	-0.5485013E-02	0.6887903E-01
2	1.417945	1.932554	1.152241	1.389004
3	2.748825	3.636957	2.258669	2.655743
4	4.832893	5.524657	4.120467	4.120287
5	-0.8135740	0.5459450	-1.890023	-1.528603
6	-2.832734	-0.6577943	-4.051527	-2.994769
7	-2.011468	0.5594950	-3.512063	-2.329549
8	0.2800420	2.304666	-1.485857	-1.046062
9	-9.734047	-6.078843	-12.23843	-10.73146
10	-10.66730	-6.078910	-13.25322	-10.87577
11	-11.24463	-5.984703	-14.40189	-11.82004
12	-6.498940	-2.160683	-9.921460	-8.381773
		YEARLY AVERAGES		
1	2.284504	2.866475	1.881473	2.058478
2	-1.344434	0.6880778	-2.734867	-1.974746
3	-9.536227	-5.075785	-12.45375	-10.45226

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-0.1518387	-0.2441474	-0.7070237E-01
2	0.8833887	0.8332590	0.9402887
3	1.763629	1.655214	1.876673
4	3.399777	2.684035	4.083970
5	-2.979433	-3.653670	-2.248641
6	-5.284160	-5.389420	-5.109000
7	-5.043337	-5.342303	-4.733233
8	-3.303947	-4.594990	-2.026681
9	-14.82605	-15.69828	-13.84520
10	-15.92609	-16.01097	-15.75890
11	-17.71774	-18.25684	-17.17178
12	-13.56346	-15.40660	-11.73257
		YEARLY AVERAGES	
1	1.473739	1.232090	1.707557
2	-4.152719	-4.745096	-3.529389
3	-15.50834	-16.34317	-14.62711

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-0.3006899	-0.5671937	-0.4520200	-0.9000937
2	0.6115443	0.2665671	0.3368670	-0.3097852
3	1.264037	0.6378780	0.7602250	-0.3937447
4	2.671287	1.219351	1.935470	-0.2702914
5	-4.081070	-5.823993	-5.194187	-8.034077
6	-6.529693	-7.835173	-7.787157	-10.32508
7	-6.604750	-8.475080	-8.195723	-11.72360
8	-5.173960	-8.339950	-7.095517	-12.27727
9	-17.49662	-20.97846	-20.24964	-26.56886
10	-18.68590	-21.48751	-21.53258	-27.30920
11	-21.19914	-25.34947	-24.85397	-33.17050
12	-17.43752	-23.32980	-21.55820	-32.29228
		YEARLY AVERAGES		
1	1.061545	0.3891507	0.6451356	-0.4684787
2	-5.597368	-7.618549	-7.068146	-10.59000
3	-18.70479	-22.78631	-22.04860	-29.83521

TABLE J.9 : IMPACT OF A DEMAND SHOCK ON SPOT EXCHANGE RATE, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-0.3247323E-06	-0.3278108E-06	-0.3250965E-06	-0.3285294E-06
2	-0.4556427E-06	-0.4618852E-06	-0.4573161E-06	-0.4652396E-06
3	0.1132221E-04	0.1135111E-04	0.1131253E-04	0.1133130E-04
4	0.5280826E-04	0.5303181E-04	0.5274853E-04	0.5290901E-04
5	0.1503916E-03	0.1512332E-03	0.1501540E-03	0.1507481E-03
6	0.3136519E-03	0.3158256E-03	0.3129731E-03	0.3144496E-03
7	0.5491634E-03	0.5537035E-03	0.5475983E-03	0.5505481E-03
8	0.8565618E-03	0.8648724E-03	0.8534218E-03	0.8585646E-03
9	0.1250236E-02	0.1264289E-02	0.1244586E-02	0.1252938E-02
10	0.1722192E-02	0.1744448E-02	0.1712835E-02	0.1725552E-02
11	0.2298019E-02	0.2331353E-02	0.2283588E-02	0.2301952E-02
12	0.3047707E-02	0.3095280E-02	0.3026926E-02	0.3052476E-02
		YEARLY AVERAGES		
1	0.1583752E-04	0.1589831E-04	0.1581966E-04	0.1586164E-04
2	0.4674422E-03	0.4714087E-03	0.4660368E-03	0.4685776E-03
3	0.2079538E-02	0.2108842E-02	0.2066984E-02	0.2083229E-02

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-0.3254600E-06	-0.3292456E-06	-0.3216231E-06
2	-0.4589790E-06	-0.4685513E-06	-0.4491928E-06
3	0.1130295E-04	0.1131191E-04	0.1129455E-04
4	0.5268925E-04	0.5278790E-04	0.5258970E-04
5	0.1499183E-03	0.1502697E-03	0.1495599E-03
6	0.3123008E-03	0.3130978E-03	0.3114847E-03
7	0.5460522E-03	0.5474626E-03	0.5445982E-03
8	0.8503310E-03	0.8524294E-03	0.8481561E-03
9	0.1239065E-02	0.1242014E-02	0.1236006E-02
10	0.1703838E-02	0.1707752E-02	0.1699795E-02
11	0.2270039E-02	0.2275090E-02	0.2264866E-02
12	0.3008017E-02	0.3014831E-02	0.3001118E-02
		YEARLY AVERAGES	
1	0.1580194E-04	0.1582550E-04	0.1577836E-04
2	0.4646506E-03	0.4658149E-03	0.4634497E-03
3	0.2055240E-02	0.2059922E-02	0.2050446E-02

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-0.3258230E-06	-0.3299595E-06	-0.3261854E-06	-0.3306711E-06
2	-0.4606313E-06	-0.4718198E-06	-0.4622728E-06	-0.4750443E-06
3	0.1129348E-04	0.1129295E-04	0.1128412E-04	0.1127442E-04
4	0.5263041E-04	0.5266849E-04	0.5257202E-04	0.5255081E-04
5	0.1496842E-03	0.1497980E-03	0.1494520E-03	0.1493329E-03
6	0.3116351E-03	0.3117711E-03	0.3109760E-03	0.3104700E-03
7	0.5445260E-03	0.5444536E-03	0.5430208E-03	0.5415299E-03
8	0.8472952E-03	0.8465119E-03	0.8443225E-03	0.8408881E-03
9	0.1233713E-02	0.1231798E-02	0.1228585E-02	0.1222956E-02
10	0.1695384E-02	0.1692447E-02	0.1687786E-02	0.1684402E-02
11	0.2257960E-02	0.2255353E-02	0.2248429E-02	0.2260806E-02
12	0.2992502E-02	0.2994270E-02	0.2983349E-02	0.3048031E-02
		YEARLY AVERAGES		
1	0.1578436E-04	0.1578992E-04	0.1576692E-04	0.1575488E-04
2	0.4632851E-03	0.4631336E-03	0.4619428E-03	0.4605552E-03
3	0.2044890E-02	0.2043467E-02	0.2037037E-02	0.2054049E-02

TABLE J.10: IMPACT OF A DEMAND SHOCK ON CONSUMER EXPENDITURE, TOTAL, 1973:4-1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	3.691852	3.847727	3.715717	3.895621
2	6.164300	6.421628	6.200231	6.492622
3	13.52336	13.93894	13.59134	14.07305
4	17.54974	18.02206	17.64096	18.20070
5	27.59210	28.04334	27.76002	28.37292
6	29.86388	30.18588	30.06036	30.57408
7	42.17478	42.46578	42.48699	43.08493
8	47.52921	47.60786	47.95890	48.45207
9	58.68969	58.32647	59.35784	59.62473
10	55.86050	55.24835	56.58184	56.64645
11	68.86390	67.80497	69.94166	69.87556
12	78.13986	76.42594	79.64149	79.27658
		YEARLY AVERAGES		
1	10.23231	10.55759	10.28706	10.66550
2	36.78999	37.07571	37.06657	37.62100
3	65.38849	64.45143	66.38071	66.35583

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	3.739594	3.943563	3.536474
2	6.235924	6.562640	5.900175
3	13.65872	14.20473	13.08913
4	17.73166	18.37729	17.04836
5	27.92735	28.70031	27.09849
6	30.25630	30.96041	29.50037
7	42.79978	43.70646	41.83808
8	48.39150	49.30699	47.41196
9	60.03383	60.95272	59.03730
10	57.31443	58.08776	56.47841
11	71.04808	72.05347	69.98138
12	81.19591	82.32108	79.99626
		YEARLY AVERAGES	
1	10.34147	10.77206	9.893535
2	37.34373	38.16854	36.46223
3	67.39806	68.35376	66.37334

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	3.763483	3.991551	3.787383	4.039587
2	6.271375	6.631654	6.306582	6.699639
3	13.72547	14.33397	13.79160	14.46078
4	17.82186	18.55195	17.91157	18.72484
5	28.09412	29.02564	28.26034	29.34906
6	30.45172	31.34501	30.64663	31.72802
7	43.11322	44.33090	43.42738	44.95885
8	48.82718	50.17374	49.26609	51.05362
9	60.71801	62.31302	61.41075	63.70894
10	58.05891	59.57723	58.81607	61.12187
11	72.18550	74.35628	73.35679	76.81169
12	82.80804	85.59648	84.48427	89.17218
		YEARLY AVERAGES		
1	10.39555	10.87728	10.44928	10.98121
2	37.62156	38.71882	37.90011	39.27239
3	68.44261	70.46075	69.51697	72.70367

TABLE J.11: IMPACT OF A DEMAND SHOCK ON INVESTMENT, TOTAL, 1973:4–1976:3

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.5318571	0.5327318	0.5319913	0.5330005
2	3.463803	3.481336	3.468779	3.491486
3	9.450641	9.522368	9.474298	9.570205
4	17.57682	17.69598	17.64253	17.82797
5	25.21581	25.36853	25.33788	25.61209
6	30.69849	30.81911	30.86156	31.14124
7	40.19443	40.16250	40.50997	40.77713
8	50.85505	50.53381	51.41508	51.61390
9	59.73367	59.04182	60.59019	60.67615
10	60.75926	59.75348	61.80574	61.71576
11	67.83550	65.97763	69.45176	68.94634
12	73.80056	70.85918	76.14489	75.10299
		YEARLY AVERAGES		
1	7.755780	7.808104	7.779400	7.855665
2	36.74095	36.72099	37.03112	37.28609
3	65.53225	63.90803	66.99814	66.61031

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.5321254	0.5332692	0.5309834
2	3.473785	3.501759	3.445984
3	9.498030	9.618319	9.375676
4	17.70847	17.96084	17.44859
5	25.46061	25.85817	25.04926
6	31.02606	31.46886	30.56436
7	40.83037	41.41046	40.21788
8	51.98806	52.74335	51.18815
9	61.47516	62.41687	60.48343
10	62.90458	63.86857	61.89364
11	71.17915	72.30918	69.99568
12	78.68422	80.02744	77.28522
		YEARLY AVERAGES	
1	7.803103	7.903547	7.700308
2	37.32627	37.87021	36.75491
3	68.56078	69.65551	67.41449

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.5322596	0.5335381	0.5323939	0.5338071
2	3.478822	3.512155	3.483889	3.522674
3	9.521833	9.666686	9.545705	9.715280
4	17.77463	18.09450	17.84101	18.22888
5	25.58399	26.10668	25.70799	26.35752
6	31.19198	31.80199	31.35933	32.14063
7	41.15572	42.06316	41.48612	42.73611
8	52.57448	53.92584	53.17490	55.16631
9	62.39038	64.27765	63.33804	66.27819
10	64.06186	66.25712	65.28533	68.95710
11	73.03634	76.20540	75.04920	80.91238
12	81.45894	85.93542	84.52888	93.56482
		YEARLY AVERAGES		
1	7.826886	7.951720	7.850749	8.000160
2	37.62654	38.47442	37.93208	39.10014
3	70.23688	73.16890	72.05036	77.42812

TABLE K.1 : IMPACT OF A DEMAND SHOCK ON GNP GAP, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	76.58563	75.74463	77.06670	76.74787
2	64.00397	63.37647	64.54059	64.48859
3	66.38392	65.85464	67.35030	67.77745
4	114.4423	111.6983	116.3821	115.4560
5	94.83453	91.39884	96.66333	94.92603
6	109.9392	105.9927	112.5441	111.0182
7	75.08677	72.58918	78.12415	78.34278
8	124.6912	117.7650	129.1433	126.0014
9	109.8752	102.7079	113.8440	110.0478
10	116.5712	108.4115	121.6446	117.7441
11	83.26412	77.17807	88.70628	87.09172
12	114.9720	103.7962	121.6910	115.6602
		YEARLY AVERAGES		
1	80.35395	79.16851	81.33492	81.11748
2	101.1379	96.93643	104.1187	102.5721
3	106.1706	98.02342	111.4715	107.6360

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	77.55406	77.77659	77.29253
2	65.07814	65.60290	64.53867
3	68.32354	69.72478	66.99347
4	118.3434	119.2978	117.2230
5	98.51060	98.53078	98.38702
6	115.2076	116.2741	114.1327
7	81.25055	84.42957	78.09160
8	133.7412	134.7797	132.4205
9	117.9456	117.8941	117.8868
10	126.9654	127.9944	125.9183
11	94.45590	98.11732	90.80169
12	128.8217	128.9789	128.3630
		YEARLY AVERAGES	
1	82.32478	83.10052	81.51192
2	107.1775	108.5035	105.7580
3	117.0471	118.2462	115.7424

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	78.04764	78.83019	78.54735	79.90803
2	65.61615	66.71578	66.15416	67.82356
3	69.30319	71.69326	70.28880	73.67969
4	120.3256	123.2189	122.3278	127.2146
5	100.3753	102.2057	102.2563	105.9433
6	117.9298	121.7611	120.7108	127.4798
7	84.46629	90.85141	87.77159	97.60880
8	138.4865	144.1124	143.3806	154.0107
9	122.1817	126.2612	126.5537	135.1630
10	132.5447	139.2429	138.3939	151.5773
11	100.5273	110.3570	106.9351	123.9184
12	136.3875	143.9219	144.4134	160.6788
		YEARLY AVERAGES		
1	83.32314	85.11453	84.32953	87.15647
2	110.3145	114.7327	113.5298	121.2606
3	122.9103	129.9457	129.0740	142.8344

TABLE K.2 : IMPACT OF A DEMAND SHOCK ON GNP, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	71.46455	71.56374	71.47977	71.59422
2	101.5311	101.7723	101.5910	101.8932
3	118.0020	118.3426	118.1100	118.5584
4	152.1299	152.6118	152.3328	153.0143
5	158.7676	159.1707	159.0801	159.7869
6	182.0270	182.3851	182.5102	183.3363
7	156.8650	156.8821	157.4808	158.0872
8	168.7162	168.3884	169.5826	170.0680
9	167.0435	166.3426	168.0141	168.2037
10	183.4911	182.1881	184.7636	184.6094
11	153.4733	151.6403	154.8460	154.2143
12	154.7549	152.2265	156.4440	155.3440
		YEARLY AVERAGES		
1	110.7819	111.0726	110.8784	111.2650
2	166.5939	166.7066	167.1634	167.8196
3	164.6907	163.0994	166.0169	165.5928

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	71.49500	71.62470	71.36541
2	101.6511	102.0147	101.2777
3	118.2182	118.7748	117.6370
4	152.5358	153.4171	151.6136
5	159.3930	160.4048	158.3223
6	182.9940	184.2902	181.6128
7	158.0993	159.3033	156.8043
8	170.4559	171.7748	169.0343
9	168.9958	170.1081	167.7810
10	186.0575	187.1134	184.8952
11	156.2563	156.9305	155.5021
12	158.1952	158.6926	157.6280
		YEARLY AVERAGES	
1	110.9750	111.4578	110.4734
2	167.7355	168.9433	166.4434
3	167.3762	168.2111	166.4516

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	71.51023	71.65520	71.52547	71.68570
2	101.7114	102.1367	101.7717	102.2594
3	118.3265	118.9917	118.4349	119.2090
4	152.7389	153.8200	152.9420	154.2228
5	159.7064	161.0242	160.0201	161.6448
6	183.4784	185.2463	183.9632	186.2039
7	158.7204	160.5298	159.3441	161.7662
8	171.3360	173.5084	172.2230	175.2682
9	169.9884	172.0552	170.9920	174.0442
10	187.3728	189.7013	188.7099	192.3753
11	157.7052	159.7965	159.1938	162.8213
12	160.0108	162.2894	161.8934	166.1543
		YEARLY AVERAGES		
1	111.0718	111.6509	111.1685	111.8442
2	168.3103	170.0772	168.8876	171.2208
3	168.7693	170.9606	170.1973	173.8488

TABLE K.3 : IMPACT OF A DEMAND SHOCK ON EMPLOYMENT, 1977:1–1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-0.1193233	0.1164141	-0.2786445	-0.2156727
2	5.597950	5.943317	5.373597	5.477430
3	12.88216	13.23560	12.54246	12.55936
4	15.78641	16.78046	15.19138	15.63129
5	23.18978	24.65018	22.60364	23.53032
6	31.58177	33.19590	30.91157	31.92009
7	38.36693	39.13573	37.71813	37.93917
8	35.79177	37.32523	34.90680	35.75707
9	39.32880	41.05943	38.68847	39.96250
10	44.67580	46.32120	44.05820	45.27957
11	46.90653	47.17840	46.41510	46.38653
12	42.68520	43.59083	42.07107	42.69503
		YEARLY AVERAGES		
1	8.536800	9.018946	8.207198	8.363101
2	32.23256	33.57676	31.53504	32.28666
3	43.39908	44.53747	42.80821	43.58091

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-0.4398937	-0.5555990	-0.3120361
2	5.148643	5.009373	5.299133
3	12.20109	11.87726	12.50244
4	14.59132	14.46185	14.74986
5	22.01217	22.38628	21.66835
6	30.22492	30.57715	29.85519
7	37.04233	36.64070	37.38920
8	33.98063	34.03573	33.95340
9	38.01183	38.72617	37.30807
10	43.37870	44.00633	42.70857
11	45.84790	45.32437	46.30103
12	41.36333	41.47850	41.28027
		YEARLY AVERAGES	
1	7.875289	7.698219	8.059848
2	30.81501	30.90997	30.71653
3	42.15044	42.38384	41.89948

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-0.6030413	-0.9031210	-0.7680577	-1.257985
2	4.923260	4.540473	4.697607	4.072060
3	11.85830	11.19112	11.51433	10.50269
4	13.98663	13.27501	13.37772	12.07365
5	21.41589	21.22183	20.81534	20.04087
6	29.52215	29.16938	28.80360	27.69943
7	36.33967	35.24193	35.61050	33.74553
8	33.01347	32.16183	32.00561	30.13755
9	37.29893	37.34913	36.54997	35.83153
10	42.63467	42.48090	41.82333	40.68227
11	45.20087	43.96257	44.46987	42.27253
12	40.55600	39.89813	39.64307	37.90943
		YEARLY AVERAGES		
1	7.541286	7.025870	7.205399	6.347605
2	30.07279	29.44874	29.30876	27.90585
3	41.42262	40.92268	40.62156	39.17394

TABLE K.4 : IMPACT OF A DEMAND SHOCK ON RATE OF INFLATION, GNP, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.1146471	-0.1133899	-0.1153655	-0.1151261
3	0.7375345E-02	0.7206111E-02	0.7161206E-02	0.6911290E-02
4	0.5230864E-01	0.5169535E-01	0.5203899E-01	0.5130483E-01
5	-0.1252280E-01	-0.1000276E-01	-0.1346699E-01	-0.1171772E-01
6	0.4689402E-01	0.4851104E-01	0.4740957E-01	0.4964490E-01
7	0.7571532E-01	0.7457893E-01	0.7639898E-01	0.7575574E-01
8	0.1435871	0.1382815	0.1446382	0.1404415
9	0.3131603E-01	0.3331747E-01	0.3160860E-01	0.3420499E-01
10	0.9297799E-01	0.9215948E-01	0.9602639E-01	0.9792848E-01
11	0.1087902	0.1044422	0.1115101	0.1094873
12	0.1716272	0.1616201	0.1748675	0.1676110
		YEARLY AVERAGES		
1	-0.1832104E-01	-0.1816281E-01	-0.1872178E-01	-0.1896998E-01
2	0.6341841E-01	0.6284219E-01	0.6374494E-01	0.6353112E-01
3	0.1011779	0.9788479E-01	0.1035031	0.1023079

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.1162037	-0.1168622	-0.1155451
3	0.6950506E-02	0.6669368E-02	0.7406849E-02
4	0.5182833E-01	0.5086696E-01	0.5256208E-01
5	-0.1435572E-01	-0.1343685E-01	-0.1499058E-01
6	0.4803982E-01	0.5079714E-01	0.4517042E-01
7	0.7697307E-01	0.7688881E-01	0.7683330E-01
8	0.1456377	0.1426006	0.1484683
9	0.3189837E-01	0.3507557E-01	0.2913232E-01
10	0.9925787E-01	0.1041247	0.9433302E-01
11	0.1141804	0.1145577	0.1134503
12	0.1781739	0.1739007	0.1820876
		YEARLY AVERAGES	
1	-0.1914161E-01	-0.1977530E-01	-0.1852540E-01
2	0.6407371E-01	0.6421242E-01	0.6387036E-01
3	0.1058776	0.1069147	0.1047508

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.1170418	-0.1185385	-0.1178201	-0.1203346
3	0.6914101E-02	0.6302056E-02	0.6756412E-02	0.6110207E-02
4	0.5150648E-01	0.5049458E-01	0.5124327E-01	0.5013073E-01
5	-0.1530269E-01	-0.1516084E-01	-0.1619530E-01	-0.1689127E-01
6	0.4862010E-01	0.5202388E-01	0.4914952E-01	0.5332540E-01
7	0.7766088E-01	0.7797641E-01	0.7824382E-01	0.7901651E-01
8	0.1466379	0.1448123	0.1477422	0.1470261
9	0.3213121E-01	0.3587566E-01	0.3241243E-01	0.3670962E-01
10	0.1025686	0.1107408	0.1059565	0.1177167
11	0.1169530	0.1195404	0.1197233	0.1246214
12	0.1814956	0.1806026	0.1848758	0.1875906
		YEARLY AVERAGES		
1	-0.1954042E-01	-0.2058063E-01	-0.1994014E-01	-0.2136454E-01
2	0.6440404E-01	0.6491295E-01	0.6473506E-01	0.6561919E-01
3	0.1082871	0.1116899	0.1107420	0.1166596

TABLE K.5 : IMPACT OF A DEMAND SHOCK ON RATE OF INFLATION, CONSUMER EXPENDITURE, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.2687481E-01	-0.2655334E-01	-0.2706769E-01	-0.2700339E-01
3	-0.9043511E-02	-0.8984642E-02	-0.9166393E-02	-0.9165033E-02
4	0.5568304E-03	0.5475015E-03	0.3176761E-03	0.1909555E-03
5	-0.5306245E-02	-0.4650293E-02	-0.5536145E-02	-0.5292658E-02
6	0.9732248E-02	0.1034795E-01	0.9637162E-02	0.1027644E-01
7	0.2063605E-01	0.2086961E-01	0.2066551E-01	0.2092493E-01
8	0.4685117E-01	0.4593255E-01	0.4703328E-01	0.4634791E-01
9	0.3503726E-01	0.3520599E-01	0.3515330E-01	0.3560137E-01
10	0.5397892E-01	0.5365444E-01	0.5481481E-01	0.5527004E-01
11	0.6197650E-01	0.6100857E-01	0.6298690E-01	0.6287876E-01
12	0.8788301E-01	0.8516205E-01	0.8915343E-01	0.8764319E-01
		YEARLY AVERAGES		
1	-0.1178716E-01	-0.1166349E-01	-0.1197213E-01	-0.1199249E-01
2	0.1797830E-01	0.1812495E-01	0.1794995E-01	0.1806415E-01
3	0.5971892E-01	0.5875776E-01	0.6052711E-01	0.6034834E-01

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.2732486E-01	-0.2745345E-01	-0.2713198E-01
3	-0.9224935E-02	-0.9409137E-02	-0.9105399E-02
4	0.2004561E-03	-0.1043448E-03	0.4439876E-03
5	-0.5950083E-02	-0.5875988E-02	-0.5901859E-02
6	0.9602441E-02	0.1014619E-01	0.8998859E-02
7	0.2069559E-01	0.2092519E-01	0.2046588E-01
8	0.4727229E-01	0.4682344E-01	0.4760911E-01
9	0.3532326E-01	0.3599685E-01	0.3476253E-01
10	0.5559292E-01	0.5687990E-01	0.5430516E-01
11	0.6393822E-01	0.6478274E-01	0.6303992E-01
12	0.9051429E-01	0.9028434E-01	0.9069386E-01
		YEARLY AVERAGES	
1	-0.1211645E-01	-0.1232231E-01	-0.1193113E-01
2	0.1790506E-01	0.1800471E-01	0.1779300E-01
3	0.6134217E-01	0.6198596E-01	0.6070037E-01

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.2745345E-01	-0.2783921E-01	-0.2764633E-01	-0.2828927E-01
3	-0.9350101E-02	-0.9655976E-02	-0.9536531E-02	-0.9902014E-02
4	-0.3993748E-04	-0.4622629E-03	-0.1566593E-03	-0.7590045E-03
5	-0.6242412E-02	-0.6520831E-02	-0.6595348E-02	-0.7106862E-02
6	0.9566638E-02	0.1019481E-01	0.9532588E-02	0.1006723E-01
7	0.2066738E-01	0.2086723E-01	0.2069869E-01	0.2092935E-01
8	0.4745655E-01	0.4724634E-01	0.4769771E-01	0.4772910E-01
9	0.3543956E-01	0.3639271E-01	0.3555463E-01	0.3673258E-01
10	0.5653376E-01	0.5869959E-01	0.5741819E-01	0.6056765E-01
11	0.6488292E-01	0.6660823E-01	0.6587516E-01	0.6856969E-01
12	0.9191333E-01	0.9297925E-01	0.9329936E-01	0.9587640E-01
		YEARLY AVERAGES		
1	-0.1228116E-01	-0.1265248E-01	-0.1244651E-01	-0.1298343E-01
2	0.1786204E-01	0.1794689E-01	0.1783341E-01	0.1790470E-01
3	0.6219239E-01	0.6366994E-01	0.6303684E-01	0.6543658E-01

TABLE K.6 : IMPACT OF A DEMAND SHOCK ON LABOUR SHARE, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-0.5382099E-03	-0.4795890E-03	-0.5381067E-03	-0.4794045E-03
2	-0.4085074E-03	-0.3491489E-03	-0.4087798E-03	-0.3496761E-03
3	-0.1839950E-03	-0.1489349E-03	-0.1842563E-03	-0.1494130E-03
4	-0.3721495E-03	-0.3230731E-03	-0.3729116E-03	-0.3244223E-03
5	-0.2918782E-03	-0.2470318E-03	-0.2923963E-03	-0.2479392E-03
6	-0.2590631E-03	-0.2209632E-03	-0.2592479E-03	-0.2213143E-03
7	0.2011377E-03	0.1899137E-03	0.2007441E-03	0.1892606E-03
8	-0.3381653E-04	-0.3164168E-04	-0.3543139E-04	-0.3439411E-04
9	-0.2688802E-04	-0.2066936E-04	-0.2865063E-04	-0.2353467E-04
10	-0.7913215E-04	-0.6564653E-04	-0.8128712E-04	-0.6911179E-04
11	0.3200922E-03	0.2915725E-03	0.3186698E-03	0.2895715E-03
12	0.9688844E-04	0.8433949E-04	0.9348115E-04	0.7908516E-04
		YEARLY AVERAGES		
1	-0.3757154E-03	-0.3251865E-03	-0.3760136E-03	-0.3257290E-03
2	-0.9590503E-04	-0.7743074E-04	-0.9658287E-04	-0.7859675E-04
3	0.7774012E-04	0.7239902E-04	0.7555330E-04	0.6900255E-04

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-0.5380035E-03	-0.4792199E-03	-0.5965403E-03
2	-0.4090505E-03	-0.3501970E-03	-0.4710875E-03
3	-0.1845164E-03	-0.1498872E-03	-0.2235923E-03
4	-0.3736653E-03	-0.3257430E-03	-0.4246130E-03
5	-0.2929047E-03	-0.2488150E-03	-0.3407561E-03
6	-0.2594214E-03	-0.2216292E-03	-0.3003857E-03
7	0.2003376E-03	0.1885605E-03	0.2085360E-03
8	-0.3705802E-04	-0.3718968E-04	-0.3697649E-04
9	-0.3043860E-04	-0.2649093E-04	-0.3453230E-04
10	-0.8350051E-04	-0.7277666E-04	-0.9459344E-04
11	0.3171245E-03	0.2871739E-03	0.3454219E-03
12	0.8986805E-04	0.7316815E-04	0.1075834E-03
	YEARLY AVERAGES		
1	-0.3763089E-03	-0.3262618E-03	-0.4289583E-03
2	-0.9726163E-04	-0.7976834E-04	-0.1173956E-03
3	0.7326336E-04	0.6526861E-04	0.8096989E-04

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-0.5379003E-03	-0.4790353E-03	-0.5377971E-03	-0.4788507E-03
2	-0.4093194E-03	-0.3507116E-03	-0.4095866E-03	-0.3512198E-03
3	-0.1847755E-03	-0.1503578E-03	-0.1850335E-03	-0.1508248E-03
4	-0.3744107E-03	-0.3270357E-03	-0.3751479E-03	-0.3283006E-03
5	-0.2934032E-03	-0.2496587E-03	-0.2938918E-03	-0.2504698E-03
6	-0.2595835E-03	-0.2219073E-03	-0.2597342E-03	-0.2221486E-03
7	0.1999182E-03	0.1878146E-03	0.1994864E-03	0.1870239E-03
8	-0.3869611E-04	-0.4002648E-04	-0.4034543E-04	-0.4290297E-04
9	-0.3225130E-04	-0.2953425E-04	-0.3408812E-04	-0.3266097E-04
10	-0.8577301E-04	-0.7664581E-04	-0.8810548E-04	-0.8072607E-04
11	0.3154517E-03	0.2843499E-03	0.3136466E-03	0.2810657E-03
12	0.8604042E-04	0.6653211E-04	0.8198887E-04	0.5911184E-04
		YEARLY AVERAGES		
1	-0.3766015E-03	-0.3267851E-03	-0.3768913E-03	-0.3272990E-03
2	-0.9794115E-04	-0.8094447E-04	-0.9862126E-04	-0.8212437E-04
3	0.7086695E-04	0.6117549E-04	0.6836047E-04	0.5669763E-04

TABLE K.7 : IMPACT OF A DEMAND SHOCK ON PERSONAL INCOME TAX IN CURRENT DOLLARS, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	6.622762	6.901930	6.665514	6.987681
2	6.784511	7.149608	6.791380	7.161081
3	6.062860	6.334821	6.079471	6.359706
4	17.08064	17.37531	17.15734	17.52722
5	18.67554	19.00455	18.73508	19.12947
6	23.81205	24.04940	23.93373	24.30069
7	21.75406	21.70769	21.93068	22.05554
8	34.43148	33.89122	34.84416	34.69211
9	37.15404	36.53921	37.62872	37.47339
10	38.60334	37.71901	39.32975	39.11641
11	52.08295	50.48094	53.24528	52.68038
12	55.66302	53.23113	57.06880	55.84523
		YEARLY AVERAGES		
1	9.137693	9.440417	9.173426	9.508922
2	24.66828	24.66321	24.86091	25.04445
3	45.87584	44.49257	46.81814	46.27885

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	6.708283	7.073504	6.344345
2	6.797211	7.168324	6.406837
3	6.095881	6.383818	5.778466
4	17.23281	17.67451	16.75245
5	18.79256	19.24662	18.30416
6	24.05480	24.54920	23.53894
7	22.10773	22.40375	21.76971
8	35.26040	35.50684	34.96870
9	38.10848	38.42819	37.76385
10	40.07641	40.58921	39.54886
11	54.44520	55.01730	53.82595
12	58.52355	58.63888	58.35166
		YEARLY AVERAGES	
1	9.208546	9.575039	8.820524
2	25.05387	25.42660	24.64538
3	47.78841	48.16840	47.37258

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	6.751070	7.159397	6.793875	7.245362
2	6.801994	7.171265	6.805721	7.169833
3	6.112124	6.407444	6.128234	6.430876
4	17.30706	17.81735	17.38013	17.95593
5	18.84798	19.35621	18.90139	19.45843
6	24.17539	24.79563	24.29559	25.04081
7	22.28532	22.75317	22.46358	23.10479
8	35.68034	36.33661	36.10417	37.18296
9	38.59361	39.40576	39.08446	40.40890
10	40.84435	42.14474	41.63474	43.79165
11	55.68441	57.50366	56.96475	60.15351
12	60.02976	61.63025	61.59017	64.84130
		YEARLY AVERAGES		
1	9.243062	9.638864	9.276990	9.700500
2	25.24726	25.81040	25.44118	26.19675
3	48.78803	50.17110	49.81853	52.29884

TABLE K.8 : IMPACT OF A DEMAND SHOCK ON LABOUR FORCE, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-3.101738	-2.834562	-3.285720	-3.217998
2	-2.000921	-1.568863	-2.296587	-2.182885
3	0.4034233	0.9058057	-0.8279633E-01	-0.6995100E-01
4	-2.651477	-1.352643	-3.522553	-3.054468
5	-0.8089037	1.224825	-1.826419	-0.7476187
6	2.501203	5.029137	1.213952	2.544295
7	6.482580	8.421973	5.016407	5.638233
8	1.187337	4.242110	-0.7671880	0.6244587
9	2.647479	6.334147	0.6966590	2.754494
10	6.316220	10.39913	4.143313	6.439583
11	8.621187	11.64559	6.343317	7.532003
12	4.521400	8.548383	1.864281	3.902833
		YEARLY AVERAGES		
1	-1.837678	-1.212565	-2.296914	-2.131326
2	2.340554	4.729511	0.9091880	2.014842
3	5.526571	9.231813	3.261892	5.157228

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-3.471920	-3.610457	-3.319404
2	-2.593361	-2.801109	-2.369698
3	-0.5715393	-1.054859	-0.1071918
4	-4.400427	-4.783453	-3.979237
5	-2.852243	-2.756337	-2.899422
6	-0.9571840E-01	-0.3218092E-01	-0.1535241
7	3.511777	2.707062	4.282457
8	-2.783087	-3.224854	-2.285387
9	-1.320221	-1.079649	-1.513227
10	1.864567	2.079899	1.645370
11	3.926857	2.910701	4.904557
12	-0.9738280	-1.387379	-0.4913423
		YEARLY AVERAGES	
1	-2.759312	-3.062470	-2.443883
2	-0.5548179	-0.8265774	-0.2639690
3	0.8743437	0.6308931	1.136339

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-3.660307	-4.011657	-3.850843	-4.421307
2	-2.891045	-3.421953	-3.189442	-4.043830
3	-1.062484	-2.046477	-1.555312	-3.042438
4	-5.284530	-6.535503	-6.174297	-8.306533
5	-3.885563	-4.795523	-4.925557	-6.859223
6	-1.427107	-2.695241	-2.779485	-5.439410
7	1.969359	-0.3665617	0.3899020	-3.576483
8	-4.859657	-7.301527	-6.996037	-11.59919
9	-3.402557	-5.165880	-5.549580	-9.499537
10	-0.5225507	-2.700125	-3.020527	-7.920027
11	1.367028	-2.253261	-1.340851	-7.993113
12	-4.000900	-7.380713	-7.224910	-14.13632
		YEARLY AVERAGES		
1	-3.224591	-4.003898	-3.692473	-4.953527
2	-2.050742	-3.789713	-3.577794	-6.868576
3	-1.639745	-4.374995	-4.283967	-9.887249

TABLE K.9 : IMPACT OF A DEMAND SHOCK ON SPOT EXCHANGE RATE, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.5782589E-06	0.5749125E-06	0.5778883E-06	0.5741847E-06
2	0.3840368E-05	0.3843055E-05	0.3836014E-05	0.3834121E-05
3	0.2796808E-04	0.2805990E-04	0.2794323E-04	0.2800809E-04
4	0.1017155E-03	0.1022045E-03	0.1015925E-03	0.1019487E-03
5	0.2506392E-03	0.2522088E-03	0.2502099E-03	0.2513212E-03
6	0.5124915E-03	0.5165350E-03	0.5112874E-03	0.5140666E-03
7	0.9319865E-03	0.9410980E-03	0.9290699E-03	0.9351798E-03
8	0.1574868E-02	0.1593370E-02	0.1568654E-02	0.1580901E-02
9	0.2493849E-02	0.2527717E-02	0.2482056E-02	0.2504325E-02
10	0.3749213E-02	0.3805350E-02	0.3729169E-02	0.3766076E-02
11	0.5398524E-02	0.5483233E-02	0.5367907E-02	0.5424106E-02
12	0.7525682E-02	0.7641602E-02	0.7484294E-02	0.7563172E-02
		YEARLY AVERAGES		
1	0.3352555E-04	0.3367059E-04	0.3348741E-04	0.3359127E-04
2	0.8174963E-03	0.8258029E-03	0.8148053E-03	0.8203671E-03
3	0.4791817E-02	0.4864475E-02	0.4765856E-02	0.4814420E-02

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.5775185E-06	0.5734600E-06	0.5816459E-06
2	0.3831634E-05	0.3825080E-05	0.3838761E-05
3	0.2791844E-04	0.2795645E-04	0.2788206E-04
4	0.1014703E-03	0.1016959E-03	0.1012467E-03
5	0.2497850E-03	0.2504511E-03	0.2491149E-03
6	0.5100987E-03	0.5116572E-03	0.5085080E-03
7	0.9261891E-03	0.9293971E-03	0.9228810E-03
8	0.1562499E-02	0.1568651E-02	0.1556112E-02
9	0.2470325E-02	0.2481146E-02	0.2459032E-02
10	0.3709115E-02	0.3726715E-02	0.3690647E-02
11	0.5337042E-02	0.5363954E-02	0.5308660E-02
12	0.7442132E-02	0.7481713E-02	0.7400216E-02
		YEARLY AVERAGES	
1	0.3344947E-04	0.3351272E-04	0.3338729E-04
2	0.8121429E-03	0.8150391E-03	0.8091540E-03
3	0.4739653E-02	0.4763382E-02	0.4714639E-02

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.5771495E-06	0.5727386E-06	0.5767813E-06	0.5720205E-06
2	0.3827228E-05	0.3815935E-05	0.3822796E-05	0.3806688E-05
3	0.2789369E-04	0.2790500E-04	0.2786898E-04	0.2785376E-04
4	0.1013488E-03	0.1014459E-03	0.1012281E-03	0.1011989E-03
5	0.2493646E-03	0.2495984E-03	0.2489487E-03	0.2487630E-03
6	0.5089254E-03	0.5093073E-03	0.5077676E-03	0.5070169E-03
7	0.9233442E-03	0.9237521E-03	0.9205357E-03	0.9182457E-03
8	0.1556405E-02	0.1556629E-02	0.1550372E-02	0.1544841E-02
9	0.2458658E-02	0.2458201E-02	0.2447059E-02	0.2435509E-02
10	0.3689056E-02	0.3687308E-02	0.3668996E-02	0.3647892E-02
11	0.5305933E-02	0.5302823E-02	0.5274586E-02	0.5240747E-02
12	0.7399194E-02	0.7397204E-02	0.7355475E-02	0.7309596E-02
		YEARLY AVERAGES		
1	0.3341172E-04	0.3343489E-04	0.3337416E-04	0.3335784E-04
2	0.8095098E-03	0.8098217E-03	0.8069060E-03	0.8047166E-03
3	0.4713210E-02	0.4711384E-02	0.4686529E-02	0.4658436E-02

TABLE K.10: IMPACT OF A DEMAND SHOCK ON CONSUMER EXPENDITURE, TOTAL, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	2.979056	3.104632	2.998287	3.143204
2	7.884446	8.208972	7.919901	8.278980
3	11.01658	11.42250	11.06844	11.52162
4	19.73556	20.21189	19.84428	20.42335
5	23.26217	23.68915	23.39486	23.95128
6	34.97775	35.44551	35.19296	35.87395
7	40.45748	40.76697	40.75152	41.34794
8	50.95886	50.89725	51.43452	51.82706
9	49.14003	48.82118	49.66588	49.84760
10	59.96844	59.28318	60.73900	60.77779
11	66.41462	65.20597	67.45855	67.20921
12	73.27619	71.27869	74.65917	73.90043
		YEARLY AVERAGES		
1	10.40391	10.73700	10.45773	10.84179
2	37.41407	37.69972	37.69346	38.25006
3	62.19982	61.14725	63.13065	62.93376

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	3.017525	3.181809	2.853818
2	7.954956	8.347363	7.552443
3	11.11993	11.61922	10.59551
4	19.95240	20.63254	19.22854
5	23.52669	24.21023	22.79751
6	35.40741	36.29941	34.45975
7	41.04562	41.92868	40.09575
8	51.91240	52.76509	50.98052
9	50.19539	50.88835	49.43792
10	61.52015	62.31272	60.66470
11	68.52361	69.29121	67.68820
12	76.07630	76.64894	75.42992
		YEARLY AVERAGES	
1	10.51120	10.94523	10.05758
2	37.97303	38.80085	37.08338
3	64.07886	64.78530	63.30518

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	3.036772	3.220446	3.056026	3.259114
2	7.989609	8.414087	8.023853	8.479117
3	11.17105	11.71536	11.22181	11.81014
4	20.05994	20.83960	20.16691	21.04465
5	23.65768	24.46609	23.78783	24.71898
6	35.62114	36.72219	35.83420	37.14263
7	41.33988	42.50974	41.63437	43.09170
8	52.39261	53.71213	52.87528	54.66915
9	50.72870	51.94442	51.26596	53.01710
10	62.31233	63.89100	63.11601	65.51634
11	69.61065	71.45783	70.72058	73.71610
12	77.52893	79.53417	79.01860	82.56809
		YEARLY AVERAGES		
1	10.56434	11.04737	10.61715	11.14826
2	38.25283	39.35254	38.53292	39.90561
3	65.04515	66.70685	66.03029	68.70441

TABLE K.11: IMPACT OF A DEMAND SHOCK ON INVESTMENT, TOTAL, 1977:1-1979:4

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.5206500	0.5213727	0.5207610	0.5215947
2	3.631135	3.652934	3.637656	3.666173
3	9.364241	9.433847	9.385887	9.477746
4	15.70928	15.83341	15.75411	15.92331
5	20.99334	21.11876	21.06172	21.25434
6	28.56855	28.64103	28.71987	28.93842
7	35.98133	35.91659	36.26215	36.46500
8	41.06997	40.82672	41.49207	41.64504
9	40.60206	40.24828	41.06438	41.13727
10	42.98870	42.29301	43.62938	43.50784
11	44.39024	43.25679	45.25903	44.88464
12	44.57216	43.04062	45.66613	45.06908
		YEARLY AVERAGES		
1	7.306326	7.360391	7.324603	7.397206
2	31.65330	31.62578	31.88395	32.07570
3	43.13829	42.20967	43.90473	43.64971

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.5208719	0.5218168	0.5199278
2	3.644213	3.679560	3.608718
3	9.407559	9.521732	9.291134
4	15.79895	16.01323	15.57834
5	21.13025	21.39048	20.85945
6	28.87211	29.23941	28.48398
7	36.54593	37.02496	36.03623
8	41.92073	42.48855	41.31697
9	41.53582	42.06075	40.97587
10	44.28713	44.78643	43.74893
11	46.15747	46.62228	45.65262
12	46.80655	47.26766	46.30861
		YEARLY AVERAGES	
1	7.342898	7.434085	7.249530
2	32.11725	32.53585	31.67416
3	44.69674	45.18428	44.17151

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.5209829	0.5220390	0.5210939	0.5222612
2	3.650807	3.693093	3.657437	3.706773
3	9.429253	9.565779	9.450966	9.609861
4	15.84380	16.10312	15.88867	16.19294
5	21.19893	21.52715	21.26776	21.66429
6	29.02526	29.54392	29.17931	29.85189
7	36.83267	37.59652	37.12239	38.17978
8	42.35604	43.35788	42.79809	44.25368
9	42.01658	43.02014	42.50685	44.01699
10	44.96251	46.13287	45.65612	47.55187
11	47.08684	48.47902	48.04853	50.46581
12	47.99594	49.65457	49.23702	52.25131
		YEARLY AVERAGES		
1	7.361211	7.471008	7.379542	7.507959
2	32.35322	33.00637	32.59189	33.48741
3	45.51547	46.82165	46.36213	48.57149

TABLE L.1 : IMPACT OF A DEMAND SHOCK ON GNP GAP, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	72.78688	71.95939	73.22548	72.87712
2	53.96744	53.72287	54.51479	54.85300
3	82.13298	80.63457	83.20054	82.72566
4	95.36586	92.54497	96.70323	95.14276
5	100.1635	97.06408	102.0632	100.7634
6	63.91365	62.39086	66.03348	66.44054
7	109.7811	104.6481	112.9225	110.4929
8	98.23768	92.21980	101.1229	97.56972
9	114.6822	107.9319	118.5536	115.1525
10	85.93867	81.30574	90.09773	88.99661
11	116.9601	107.6115	122.0374	116.6917
12	90.02741	81.44253	94.20322	88.85058
		YEARLY AVERAGES		
1	76.06329	74.71545	76.91101	76.39963
2	93.02398	89.08071	95.53552	93.81664
3	101.9021	94.57292	106.2230	102.4228

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	73.67079	73.82201	73.50654
2	55.06596	55.99587	54.20976
3	84.27503	84.84226	83.60282
4	98.05515	97.80024	98.22534
5	103.9979	104.6026	103.4001
6	68.20006	70.66682	65.77657
7	116.1459	116.6442	115.4240
8	104.0867	103.2216	104.8688
9	122.5690	122.9171	122.2359
10	94.42634	97.30623	91.57866
11	127.3430	126.5841	127.8721
12	98.58897	97.01734	100.1546
		YEARLY AVERAGES	
1	77.76673	78.11509	77.38611
2	98.10764	98.78380	97.36737
3	110.7318	110.9562	110.4603

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	74.12276	74.79360	74.58132	75.79142
2	55.62054	57.14800	56.17807	58.30586
3	85.35592	86.98028	86.44263	89.13576
4	99.42114	100.5141	100.8007	103.2812
5	105.9672	108.5789	107.9705	112.6892
6	70.41286	75.06546	72.67129	79.63132
7	119.4515	123.1040	122.8395	129.8738
8	107.1293	109.1795	110.2510	115.4466
9	126.7322	131.2550	131.0472	140.1967
10	98.92898	106.2661	103.6101	115.9069
11	132.8854	137.3520	138.6737	149.0639
12	103.1944	106.0163	108.0297	115.9285
		YEARLY AVERAGES		
1	78.63009	79.85899	79.50068	81.62856
2	100.7402	103.9820	103.4331	109.4102
3	115.4352	120.2223	120.3402	130.2740

TABLE L.2 : IMPACT OF A DEMAND SHOCK ON GNP, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	71.74117	71.86149	71.75964	71.89847
2	94.08193	94.30944	94.13487	94.41568
3	122.9411	123.3164	123.0486	123.5314
4	150.3191	150.6972	150.4999	151.0564
5	177.7686	178.1836	178.0733	178.7878
6	150.5080	150.7007	150.9045	151.4824
7	159.6152	159.6235	160.1627	160.6925
8	158.7391	158.4515	159.3620	159.6529
9	177.1725	176.5069	177.9766	178.0473
10	148.4713	147.4680	149.2960	149.0282
11	149.8743	148.4963	150.8475	150.3060
12	138.7888	137.2919	139.6676	138.8818
		YEARLY AVERAGES		
1	109.7708	110.0461	109.8608	110.2255
2	161.6577	161.7398	162.1256	162.6539
3	153.5767	152.4408	154.4469	154.0658

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	71.77812	71.93545	71.62094
2	94.18708	94.52257	93.84498
3	123.1561	123.7460	122.5455
4	150.6807	151.4155	149.9104
5	178.3781	179.3923	177.3059
6	151.3018	152.2672	150.2667
7	160.7121	161.7690	159.5733
8	159.9885	160.8690	159.0240
9	178.7880	179.6171	177.8688
10	150.1345	150.6420	149.5571
11	151.8445	152.2060	151.4215
12	140.5764	140.5847	140.5197
		YEARLY AVERAGES	
1	109.9507	110.4049	109.4805
2	162.5951	163.5744	161.5425
3	155.3358	155.7624	154.8418

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	71.79660	71.97246	71.81508	72.00947
2	94.24125	94.63010	94.29469	94.73827
3	123.2634	123.9602	123.3707	124.1739
4	150.8614	151.7743	151.0421	152.1327
5	178.6829	179.9967	178.9877	180.6006
6	151.6997	153.0544	152.0981	153.8436
7	161.2632	162.8520	161.8159	163.9408
8	160.6186	162.0987	161.2520	163.3408
9	179.6064	181.2151	180.4318	182.8402
10	150.9866	152.3097	151.8525	154.0315
11	152.8654	154.1986	153.9107	156.2863
12	141.5159	142.4055	142.4867	144.3493
		YEARLY AVERAGES		
1	110.0407	110.5843	110.1306	110.7636
2	163.0661	164.5004	163.5384	165.4314
3	156.2436	157.5322	157.1704	159.3768

TABLE L.3 : IMPACT OF A DEMAND SHOCK ON EMPLOYMENT, 1980:2–1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	1.294798	1.541546	1.149953	1.238718
2	6.907613	7.125810	6.687917	6.672147
3	11.76340	12.36740	11.39764	11.64603
4	19.84864	21.02574	19.38895	20.13956
5	28.12499	29.55251	27.54333	28.43426
6	33.86730	34.55000	33.31478	33.51397
7	32.65630	33.91800	31.95211	32.65204
8	36.07413	37.74963	35.52367	36.79417
9	38.65827	40.38327	38.04427	39.29583
10	39.24503	39.69760	38.70480	38.75077
11	36.04270	37.11350	35.42570	36.12187
12	40.20240	41.25837	39.95143	40.96180
		YEARLY AVERAGES		
1	9.953614	10.51512	9.656115	9.924115
2	32.68068	33.94253	32.08347	32.84861
3	38.53710	39.61318	38.03155	38.78257

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	1.002980	0.9272497	1.082593
2	6.466670	6.212907	6.701630
3	11.02994	10.91743	11.16438
4	18.92473	19.23428	18.64642
5	26.95051	27.26989	26.62431
6	32.74715	32.41989	33.02981
7	31.22468	31.29882	31.17356
8	34.95060	35.75083	34.16207
9	37.39210	38.06193	36.68200
10	38.12177	37.64883	38.52787
11	34.75637	34.94977	34.58227
12	39.65790	40.51790	38.78900
		YEARLY AVERAGES	
1	9.356080	9.322966	9.398755
2	31.46823	31.68486	31.24744
3	37.48203	37.79461	37.14528

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.8538993	0.6073270	0.7027357	0.2791481
2	6.244037	5.749403	6.020180	5.282967
3	10.66058	10.18367	10.28984	9.446780
4	18.45628	18.31194	17.98390	17.37461
5	26.34683	26.06156	25.73262	24.81162
6	32.16477	31.27051	31.56803	30.06910
7	30.47429	29.86018	29.70133	28.33868
8	34.35507	34.61973	33.73727	33.40147
9	36.70087	36.67383	35.96963	35.12437
10	37.49463	36.38307	36.82230	34.94600
11	34.03260	33.58150	33.25231	32.00166
12	39.31890	39.90477	38.93163	39.09907
		YEARLY AVERAGES		
1	9.053700	8.713085	8.749163	8.095875
2	30.83524	30.45300	30.18481	29.15521
3	36.88675	36.63579	36.24397	35.29277

TABLE L.4 : IMPACT OF A DEMAND SHOCK ON RATE OF INFLATION, GNP, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.9774325E-01	-0.9656562E-01	-0.9842266E-01	-0.9796972E-01
3	0.1688801E-01	0.1633170E-01	0.1666635E-01	0.1584158E-01
4	0.5553183E-02	0.6890836E-02	0.5042041E-02	0.6005424E-02
5	0.1749984E-01	0.1999201E-01	0.1726864E-01	0.1961323E-01
6	0.4228648E-01	0.4218097E-01	0.4228306E-01	0.4211723E-01
7	0.1231525	0.1188688	0.1237706	0.1202882
8	0.2659343E-01	0.2815772E-01	0.2674414E-01	0.2872791E-01
9	0.6504293E-01	0.6616102E-01	0.6684944E-01	0.6956932E-01
10	0.7538259E-01	0.7285500E-01	0.7673845E-01	0.7524072E-01
11	0.1477805	0.1396814	0.1497748	0.1433930
12	0.7288298E-01	0.7318449E-01	0.7445863E-01	0.7657886E-01
		YEARLY AVERAGES		
1	-0.2510069E-01	-0.2444770E-01	-0.2557142E-01	-0.2537424E-01
2	0.5238307E-01	0.5229987E-01	0.5251661E-01	0.5268665E-01
3	0.9027225E-01	0.8797049E-01	0.9195532E-01	0.9119548E-01

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.9905676E-01	-0.9941911E-01	-0.9873971E-01
3	0.1635765E-01	0.1538873E-01	0.1732358E-01
4	0.4618049E-02	0.5163820E-02	0.4206807E-02
5	0.1703886E-01	0.1920130E-01	0.1495974E-01
6	0.4223887E-01	0.4201954E-01	0.4224376E-01
7	0.1244313	0.1217165	0.1270666
8	0.2689192E-01	0.2925040E-01	0.2481056E-01
9	0.6868767E-01	0.7310944E-01	0.6414417E-01
10	0.7804119E-01	0.7769266E-01	0.7816071E-01
11	0.1518158	0.1472663	0.1561189
12	0.7611309E-01	0.8025277E-01	0.7236849E-01
		YEARLY AVERAGES	
1	-0.2602702E-01	-0.2628885E-01	-0.2573644E-01
2	0.5265023E-01	0.5304694E-01	0.5227017E-01
3	0.9366443E-01	0.9458029E-01	0.9269806E-01

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.9973617E-01	-0.1009138	-0.1004609	-0.1024538
3	0.1613304E-01	0.1497297E-01	0.1594960E-01	0.1455130E-01
4	0.4149892E-02	0.4365938E-02	0.3638408E-02	0.3612621E-02
5	0.1676916E-01	0.1875614E-01	0.1654537E-01	0.1836344E-01
6	0.4215716E-01	0.4184650E-01	0.4216007E-01	0.4159623E-01
7	0.1251739	0.1231942	0.1258012	0.1247228
8	0.2699782E-01	0.2976582E-01	0.2718258E-01	0.3031370E-01
9	0.7052040E-01	0.7681975E-01	0.7242386E-01	0.8069832E-01
10	0.7944745E-01	0.8005424E-01	0.8076067E-01	0.8235986E-01
11	0.1539031	0.1514765	0.1560352	0.1559800
12	0.7776874E-01	0.8411373E-01	0.7953678E-01	0.8810702E-01
		YEARLY AVERAGES		
1	-0.2648441E-01	-0.2719163E-01	-0.2695762E-01	-0.2809662E-01
2	0.5277451E-01	0.5339067E-01	0.5292231E-01	0.5374904E-01
3	0.9540993E-01	0.9811607E-01	0.9718914E-01	0.1017863

TABLE L.5 : IMPACT OF A DEMAND SHOCK ON RATE OF INFLATION, CONSUMER EXPENDITURE, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.2240910E-01	-0.2211870E-01	-0.2255430E-01	-0.2245750E-01
3	-0.4634109E-02	-0.4683360E-02	-0.4773603E-02	-0.4914822E-02
4	-0.7211662E-02	-0.6845751E-02	-0.7437203E-02	-0.7249811E-02
5	0.4772036E-03	0.1268122E-02	0.3119998E-03	0.8922431E-03
6	0.8963447E-02	0.9360287E-02	0.8852777E-02	0.9094598E-02
7	0.3503295E-01	0.3440942E-01	0.3504729E-01	0.3452036E-01
8	0.2616970E-01	0.2648207E-01	0.2614451E-01	0.2655626E-01
9	0.4089484E-01	0.4117037E-01	0.4131182E-01	0.4195904E-01
10	0.4755583E-01	0.4728134E-01	0.4797915E-01	0.4804693E-01
11	0.7375387E-01	0.7194558E-01	0.7438733E-01	0.7322668E-01
12	0.7116641E-01	0.7065827E-01	0.7186450E-01	0.7207461E-01
		YEARLY AVERAGES		
1	-0.1141829E-01	-0.1121594E-01	-0.1158837E-01	-0.1154071E-01
2	0.1766082E-01	0.1787997E-01	0.1758915E-01	0.1776586E-01
3	0.5834274E-01	0.5776389E-01	0.5888570E-01	0.5882682E-01

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.2269950E-01	-0.2279630E-01	-0.2265110E-01
3	-0.4866508E-02	-0.5147016E-02	-0.4632341E-02
4	-0.7664280E-02	-0.7654778E-02	-0.7624868E-02
5	0.1456090E-03	0.5164581E-03	-0.2688723E-03
6	0.8653526E-02	0.8829704E-02	0.8567319E-02
7	0.3506289E-01	0.3463401E-01	0.3553413E-01
8	0.2616276E-01	0.2658943E-01	0.2577715E-01
9	0.4168780E-01	0.4274854E-01	0.4058406E-01
10	0.4840211E-01	0.4888881E-01	0.4783382E-01
11	0.7505647E-01	0.7457193E-01	0.7554212E-01
12	0.7259441E-01	0.7346013E-01	0.7164895E-01
		YEARLY AVERAGES	
1	-0.1174343E-01	-0.1186603E-01	-0.1163610E-01
2	0.1750620E-01	0.1764240E-01	0.1740243E-01
3	0.5943520E-01	0.5991735E-01	0.5890224E-01

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.0000000E+00	0.0000000E+00	0.0000000E+00	0.0000000E+00
2	-0.2289310E-01	-0.2318350E-01	-0.2303830E-01	-0.2352229E-01
3	-0.4959011E-02	-0.5332587E-02	-0.5145866E-02	-0.5566299E-02
4	-0.7890350E-02	-0.8060731E-02	-0.8023011E-02	-0.8467708E-02
5	-0.1958676E-04	0.1856439E-03	-0.2309693E-03	-0.1451742E-03
6	0.8499437E-02	0.8520511E-02	0.8345535E-02	0.8211910E-02
7	0.3512188E-01	0.3470788E-01	0.3518162E-01	0.3478456E-01
8	0.2613820E-01	0.2662486E-01	0.2607189E-01	0.2666164E-01
9	0.4210498E-01	0.4362138E-01	0.4252321E-01	0.4453600E-01
10	0.4878281E-01	0.4968476E-01	0.4924362E-01	0.5047522E-01
11	0.7580057E-01	0.7598112E-01	0.7654073E-01	0.7749299E-01
12	0.7327624E-01	0.7504948E-01	0.7398884E-01	0.7664367E-01
		YEARLY AVERAGES		
1	-0.1191415E-01	-0.1219227E-01	-0.1206906E-01	-0.1251877E-01
2	0.1743498E-01	0.1750972E-01	0.1734202E-01	0.1737823E-01
3	0.5999115E-01	0.6108419E-01	0.6057410E-01	0.6228697E-01

TABLE L.6 : IMPACT OF A DEMAND SHOCK ON LABOUR SHARE, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-0.4555631E-03	-0.4060672E-03	-0.4554573E-03	-0.4058779E-03
2	-0.2365862E-03	-0.1982304E-03	-0.2367391E-03	-0.1985282E-03
3	-0.3388145E-03	-0.2916977E-03	-0.3394344E-03	-0.2928101E-03
4	-0.4203193E-03	-0.3606911E-03	-0.4212548E-03	-0.3623240E-03
5	-0.3416511E-03	-0.2904955E-03	-0.3419031E-03	-0.2909436E-03
6	0.1372480E-03	0.1346888E-03	0.1374033E-03	0.1349652E-03
7	-0.6475919E-04	-0.5775987E-04	-0.6560206E-04	-0.5923507E-04
8	-0.9632581E-04	-0.8204714E-04	-0.9752912E-04	-0.8404944E-04
9	-0.1263014E-03	-0.1072560E-03	-0.1274695E-03	-0.1091466E-03
10	0.2781636E-03	0.2540698E-03	0.2776527E-03	0.2534340E-03
11	0.5702771E-04	0.4755770E-04	0.5524194E-04	0.4480296E-04
12	0.6798955E-04	0.6027835E-04	0.6692714E-04	0.5892470E-04
		YEARLY AVERAGES		
1	-0.3628208E-03	-0.3141716E-03	-0.3632214E-03	-0.3148850E-03
2	-0.9137202E-04	-0.7390343E-04	-0.9190774E-04	-0.7481573E-04
3	0.6921986E-04	0.6366246E-04	0.6808807E-04	0.6200377E-04

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-0.4553516E-03	-0.4056886E-03	-0.5047831E-03
2	-0.2368911E-03	-0.1988229E-03	-0.2777795E-03
3	-0.3400492E-03	-0.2939048E-03	-0.3891975E-03
4	-0.4221809E-03	-0.3639255E-03	-0.4841659E-03
5	-0.3421437E-03	-0.2913540E-03	-0.3970959E-03
6	0.1375541E-03	0.1352245E-03	0.1354536E-03
7	-0.6644356E-04	-0.6070784E-04	-0.7318853E-04
8	-0.9873714E-04	-0.8607340E-04	-0.1121171E-03
9	-0.1286536E-03	-0.1110977E-03	-0.1471694E-03
10	0.2770896E-03	0.2526249E-03	0.2995530E-03
11	0.5336972E-04	0.4176221E-04	0.6564100E-04
12	0.6575715E-04	0.5722446E-04	0.7467891E-04
		YEARLY AVERAGES	
1	-0.3636182E-03	-0.3155854E-03	-0.4139815E-03
2	-0.9244257E-04	-0.7572769E-04	-0.1117370E-03
3	0.6689072E-04	0.6012847E-04	0.7317588E-04

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-0.4552458E-03	-0.4054993E-03	-0.4551400E-03	-0.4053099E-03
2	-0.2370423E-03	-0.1991144E-03	-0.2371927E-03	-0.1994029E-03
3	-0.3406589E-03	-0.2949819E-03	-0.3412636E-03	-0.2960415E-03
4	-0.4230976E-03	-0.3654957E-03	-0.4240049E-03	-0.3670347E-03
5	-0.3423727E-03	-0.2917267E-03	-0.3425904E-03	-0.2920616E-03
6	0.1377005E-03	0.1354679E-03	0.1378428E-03	0.1356964E-03
7	-0.6728336E-04	-0.6217604E-04	-0.6812115E-04	-0.6363767E-04
8	-0.9994919E-04	-0.8811467E-04	-0.1011646E-03	-0.9016882E-04
9	-0.1298532E-03	-0.1131057E-03	-0.1310676E-03	-0.1151673E-03
10	0.2764735E-03	0.2516368E-03	0.2758036E-03	0.2504635E-03
11	0.5140938E-04	0.3842411E-04	0.4935919E-04	0.3477646E-04
12	0.6447654E-04	0.5515695E-04	0.6308213E-04	0.5270002E-04
		YEARLY AVERAGES		
1	-0.3640111E-03	-0.3162728E-03	-0.3644003E-03	-0.3169472E-03
2	-0.9297619E-04	-0.7663738E-04	-0.9350834E-04	-0.7754292E-04
3	0.6562656E-04	0.5802804E-04	0.6429433E-04	0.5569317E-04

TABLE L.7 : IMPACT OF A DEMAND SHOCK ON PERSONAL INCOME TAX IN CURRENT DOLLARS, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	8.895831	9.269579	8.953055	9.384425
2	4.925280	5.373343	4.925833	5.367930
3	15.61755	16.02053	15.67799	16.13705
4	20.92785	21.44081	21.00267	21.59240
5	29.35068	29.81999	29.45604	30.04180
6	21.39395	21.56244	21.48168	21.73839
7	39.57789	39.20629	39.91645	39.86988
8	42.16897	41.75193	42.55094	42.51542
9	43.71581	43.13597	44.29676	44.27716
10	52.10430	51.07254	52.89647	52.59400
11	58.87451	56.85012	59.94975	58.86726
12	65.53816	63.19971	66.82390	65.62525
		YEARLY AVERAGES		
1	12.59163	13.02607	12.63989	13.12045
2	33.12287	33.08516	33.35128	33.54137
3	55.05819	53.56458	55.99172	55.34092

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	9.010306	9.499385	8.523290
2	4.925112	5.357277	4.464195
3	15.73702	16.24807	15.18248
4	21.07567	21.73729	20.37399
5	29.55935	30.25558	28.82949
6	21.56732	21.90511	21.17263
7	40.25536	40.53525	39.91953
8	42.93389	43.28412	42.55178
9	44.88803	45.45779	44.30507
10	53.70584	54.17801	53.18496
11	61.05218	60.98506	61.06566
12	68.14872	68.19805	68.07999
		YEARLY AVERAGES	
1	12.68703	13.21051	12.13599
2	33.57898	33.99501	33.11836
3	56.94869	57.20473	56.65892

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	9.067586	9.614460	9.124895	9.729649
2	4.923108	5.341325	4.919814	5.320023
3	15.79465	16.35376	15.85090	16.45429
4	21.14691	21.87581	21.21643	22.00831
5	29.66064	30.46150	29.75994	30.65973
6	21.65096	22.06306	21.73265	22.21279
7	40.59470	41.20295	40.93455	41.87373
8	43.31793	44.05886	43.70320	44.84078
9	45.49003	46.68054	46.10318	47.94863
10	54.53296	55.82828	55.37845	57.54931
11	62.18290	63.21177	63.34316	65.55723
12	69.51439	70.93138	70.92290	73.84084
		YEARLY AVERAGES		
1	12.73306	13.29634	12.77801	13.37807
2	33.80606	34.44659	34.03258	34.89676
3	57.93007	59.16299	58.93692	61.22400

TABLE L.8 : IMPACT OF A DEMAND SHOCK ON LABOUR FORCE, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	-1.485814	-1.206841	-1.653270	-1.556876
2	0.1015893	0.3889790	-0.1855186	-0.2044920
3	-0.4892953E-01	0.7152100	-0.5604450	-0.3023703
4	2.710493	4.247540	1.995523	2.851348
5	5.646200	7.715143	4.663307	5.804173
6	8.048537	9.584840	6.934353	7.449953
7	3.785107	6.178013	2.323896	3.451207
8	4.829030	8.015073	3.331920	5.255223
9	4.954317	8.634330	3.189696	5.373527
10	4.330113	7.030927	2.439950	3.552027
11	-0.9705657E-01	3.559787	-2.278747	-0.3346773
12	3.921490	7.922077	1.944125	4.461463
		YEARLY AVERAGES		
1	0.3193348	1.036222	-0.1009277	0.1969026
2	5.577218	7.873267	4.313369	5.490139
3	3.277216	6.786780	1.323756	3.263085

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	-1.823177	-1.916855	-1.725037
2	-0.4748743	-0.8062570	-0.1639628
3	-1.075045	-1.331575	-0.7950377
4	1.274017	1.428090	1.160268
5	3.665193	3.830677	3.506513
6	5.797830	5.228210	6.334513
7	0.8273100	0.5896783	1.105663
8	1.794486	2.338514	1.287638
9	1.360830	1.864923	0.8427813
10	0.4703540	-0.2222911	1.115654
11	-4.562593	-4.597070	-4.486837
12	-0.1388153	0.6197080	-0.8825093
		YEARLY AVERAGES	
1	-0.5247697	-0.6566490	-0.3809422
2	3.021205	2.996770	3.058582
3	-0.7175561	-0.5836826	-0.8527276

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	-1.995508	-2.286563	-2.170237	-2.665773
2	-0.7662847	-1.414764	-1.059555	-2.028439
3	-1.592366	-2.369678	-2.112046	-3.414007
4	0.5464213	-0.1903968E-01	-0.1868179	-1.486873
5	2.652393	1.798467	1.625455	-0.2883773
6	4.639650	2.924686	3.460537	0.5450827
7	-0.7039387	-2.401792	-2.269068	-5.517483
8	0.2173277	-0.7318643	-1.398875	-3.951600
9	-0.5328680	-1.897001	-2.491911	-5.916637
10	-1.579787	-4.300327	-3.711447	-8.688280
11	-6.951020	-9.245790	-9.446343	-14.29807
12	-2.331076	-3.632713	-4.636407	-8.325887
		YEARLY AVERAGES		
1	-0.9519342	-1.522511	-1.382164	-2.398773
2	1.701358	0.3973742	0.3545121	-2.303094
3	-2.848688	-4.768958	-5.071527	-9.307218

TABLE L.9 : IMPACT OF A DEMAND SHOCK ON SPOT EXCHANGE RATE, 1980:2–1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.4337567E-05	0.4334979E-05	0.4337475E-05	0.4334841E-05
2	0.2672029E-04	0.2678642E-04	0.2670511E-04	0.2675483E-04
3	0.1130611E-03	0.1134946E-03	0.1129633E-03	0.1132912E-03
4	0.3128308E-03	0.3143798E-03	0.3124346E-03	0.3135632E-03
5	0.6748371E-03	0.6790914E-03	0.6736252E-03	0.6766144E-03
6	0.1248875E-02	0.1258769E-02	0.1245813E-02	0.1252558E-02
7	0.2105906E-02	0.2126205E-02	0.2099242E-02	0.2112790E-02
8	0.3262083E-02	0.3299204E-02	0.3249237E-02	0.3273550E-02
9	0.4726013E-02	0.4787546E-02	0.4703724E-02	0.4743411E-02
10	0.6581505E-02	0.6675572E-02	0.6546333E-02	0.6606623E-02
11	0.8991559E-02	0.9124588E-02	0.8941377E-02	0.9027446E-02
12	0.1199440E-01	0.1216656E-01	0.1193055E-01	0.1204505E-01
		YEARLY AVERAGES		
1	0.1142374E-03	0.1147489E-03	0.1141101E-03	0.1144860E-03
2	0.1822925E-02	0.1840817E-02	0.1816979E-02	0.1828878E-02
3	0.8073369E-02	0.8188566E-02	0.8030496E-02	0.8105632E-02

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.4337387E-05	0.4334715E-05	0.4340295E-05
2	0.2668962E-04	0.2672201E-04	0.2665808E-04
3	0.1128642E-03	0.1130826E-03	0.1126435E-03
4	0.3120361E-03	0.3127375E-03	0.3113189E-03
5	0.6724143E-03	0.6741409E-03	0.6706389E-03
6	0.1242766E-02	0.1246405E-02	0.1239016E-02
7	0.2092623E-02	0.2099544E-02	0.2085476E-02
8	0.3236471E-02	0.3248187E-02	0.3224340E-02
9	0.4681521E-02	0.4699559E-02	0.4662763E-02
10	0.6511142E-02	0.6537506E-02	0.6483594E-02
11	0.8890835E-02	0.8928777E-02	0.8851017E-02
12	0.1186562E-01	0.1191924E-01	0.1180915E-01
		YEARLY AVERAGES	
1	0.1139818E-03	0.1142192E-03	0.1137402E-03
2	0.1811069E-02	0.1817069E-02	0.1804868E-02
3	0.7987279E-02	0.8021270E-02	0.7951631E-02

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.4337301E-05	0.4334600E-05	0.4337217E-05	0.4334497E-05
2	0.2667383E-04	0.2668797E-04	0.2665774E-04	0.2665270E-04
3	0.1127638E-03	0.1128690E-03	0.1126621E-03	0.1126503E-03
4	0.3116354E-03	0.3119034E-03	0.3112326E-03	0.3110614E-03
5	0.6712046E-03	0.6716726E-03	0.6699963E-03	0.6692111E-03
6	0.1239736E-02	0.1240315E-02	0.1236721E-02	0.1234291E-02
7	0.2086050E-02	0.2086475E-02	0.2079525E-02	0.2073592E-02
8	0.3223790E-02	0.3223137E-02	0.3211194E-02	0.3198420E-02
9	0.4659410E-02	0.4656039E-02	0.4637398E-02	0.4612893E-02
10	0.6475942E-02	0.6468305E-02	0.6440744E-02	0.6399094E-02
11	0.8839947E-02	0.8828686E-02	0.8788725E-02	0.8727267E-02
12	0.1179963E-01	0.1178919E-01	0.1173258E-01	0.1165494E-01
		YEARLY AVERAGES		
1	0.1138526E-03	0.1139487E-03	0.1137224E-03	0.1136747E-03
2	0.1805195E-02	0.1805400E-02	0.1799359E-02	0.1793879E-02
3	0.7943732E-02	0.7935555E-02	0.7899862E-02	0.7848548E-02

TABLE L.10: IMPACT OF A DEMAND SHOCK ON CONSUMER EXPENDITURE, TOTAL, 1980:2-1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	3.683926	3.838702	3.707624	3.886262
2	6.300439	6.611405	6.332799	6.674159
3	12.62656	13.05148	12.69075	13.17611
4	16.47364	16.88544	16.56104	17.05761
5	27.96302	28.47431	28.11458	28.77714
6	32.07537	32.49933	32.26499	32.87629
7	40.91505	41.05428	41.22542	41.66407
8	39.13958	39.03534	39.48508	39.71344
9	49.33958	49.02605	49.84929	50.02388
10	53.15695	52.53135	53.80228	53.78267
11	57.96859	56.75934	58.81720	58.38109
12	49.82934	48.44839	50.66346	50.03134
		YEARLY AVERAGES		
1	9.771141	10.09676	9.823053	10.19854
2	35.02325	35.26581	35.27252	35.75773
3	52.57361	51.69128	53.28306	53.05474

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	3.731333	3.933869	3.529650
2	6.364819	6.735515	5.984089
3	12.75422	13.29781	12.18242
4	16.64764	17.22672	16.03507
5	28.26510	29.07602	27.40975
6	32.45357	33.24889	31.60091
7	41.53566	42.27316	40.72834
8	39.83142	40.39504	39.21254
9	50.36288	51.03693	49.63531
10	54.45551	55.06372	53.78965
11	59.67968	60.05476	59.24342
12	51.51418	51.67704	51.31018
		YEARLY AVERAGES	
1	9.874503	10.29848	9.432807
2	35.52144	36.24828	34.73788
3	54.00306	54.45811	53.49464

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	3.755053	3.981524	3.778786	4.029226
2	6.396498	6.795456	6.427833	6.853967
3	12.81695	13.41663	12.87896	13.53259
4	16.73346	17.39285	16.81849	17.55609
5	28.41461	29.37106	28.56311	29.66235
6	32.64112	33.61729	32.82767	33.98164
7	41.84580	42.88179	42.15589	43.49023
8	40.17862	41.08037	40.52671	41.76976
9	50.88045	52.06594	51.40213	53.11180
10	55.11683	56.37579	55.78646	57.72049
11	60.55638	61.78304	61.44773	63.56920
12	52.38202	53.38937	53.26757	55.17291
		YEARLY AVERAGES		
1	9.925490	10.39661	9.976017	10.49297
2	35.77004	36.73763	36.01835	37.22599
3	54.73392	55.90353	55.47597	57.39360

TABLE L.11: IMPACT OF A DEMAND SHOCK ON INVESTMENT, TOTAL, 1980:2–1983:1

	CASE 1.1	CASE 1.2	CASE 2.1	CASE 2.2
1	0.5032310	0.5040750	0.5033606	0.5043344
2	3.350003	3.366231	3.355128	3.376668
3	8.247463	8.302495	8.262041	8.331985
4	13.54315	13.61995	13.56772	13.66913
5	19.92382	20.01037	19.98164	20.12514
6	25.97695	26.03277	26.08981	26.25563
7	29.62947	29.63962	29.79560	29.96574
8	30.02823	29.98597	30.21628	30.35204
9	31.89824	31.67515	32.17953	32.21469
10	33.12163	32.64201	33.52965	33.41584
11	34.12173	33.37794	34.67430	34.41671
12	31.40989	30.56411	31.99578	31.65598
		YEARLY AVERAGES		
1	6.410962	6.448188	6.422062	6.470529
2	26.38962	26.41718	26.52083	26.67464
3	32.63787	32.06480	33.09481	32.92580

	CASE 3.1	CASE 3.2	WAGE-ECO.
1	0.5034902	0.5045938	0.5023877
2	3.360286	3.387236	3.333306
3	8.276641	8.361547	8.190689
4	13.59227	13.71821	13.46293
5	20.03955	20.24023	19.82980
6	26.20328	26.48086	25.91059
7	29.96319	30.29762	29.60990
8	30.40660	30.72681	30.06640
9	32.46584	32.77325	32.13387
10	33.94747	34.22664	33.64144
11	35.24377	35.51849	34.94330
12	32.60241	32.82428	32.35781
		YEARLY AVERAGES	
1	6.433172	6.492897	6.372328
2	26.65315	26.93638	26.35417
3	33.56487	33.83566	33.26910

	CASE 4.1	CASE 4.2	CASE 5.1	CASE 5.2
1	0.5036198	0.5048534	0.5037494	0.5051130
2	3.365477	3.397937	3.370701	3.408769
3	8.291262	8.391164	8.305901	8.420822
4	13.61680	13.76714	13.64131	13.81591
5	20.09754	20.35557	20.15560	20.47110
6	26.31733	26.70838	26.43196	26.93811
7	30.13225	30.63521	30.30277	30.97846
8	30.59920	31.11038	30.79408	31.50283
9	32.75722	33.35141	33.05377	33.94983
10	34.37533	35.07626	34.81350	35.96678
11	35.83071	36.68757	36.43576	37.92878
12	33.23064	34.07530	33.88142	35.41628
		YEARLY AVERAGES		
1	6.444290	6.515274	6.455415	6.537653
2	26.78658	27.20238	26.92110	27.47262
3	34.04847	34.79763	34.54611	35.81542

FIGURE 1.1 : COMPARISON OF SHARE & WAGE ECONOMY GNP GAP, 1973:4-1976:3

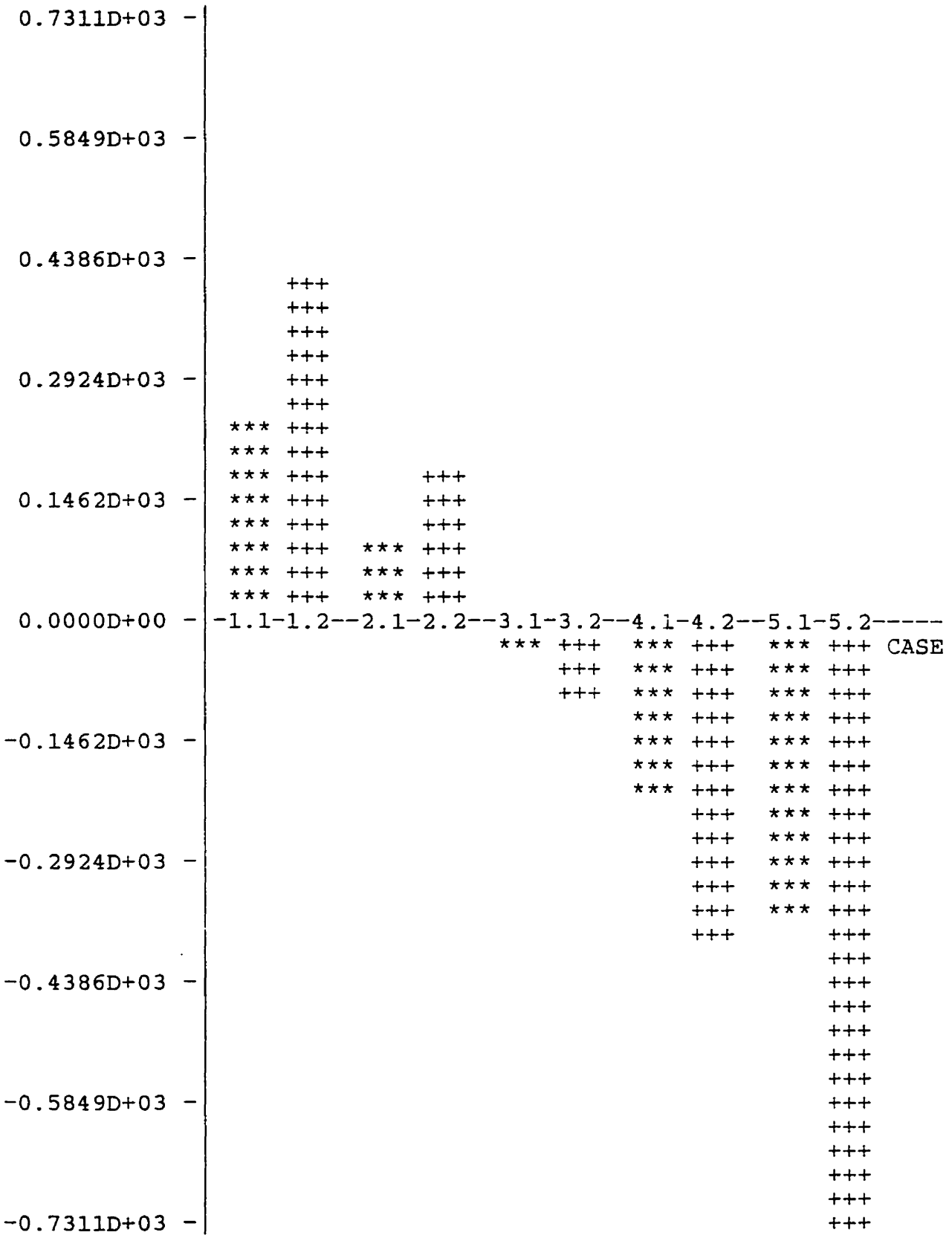


FIGURE 1.2 : COMPARISON OF SHARE & WAGE ECONOMY GNP, 1973:4-1976:3

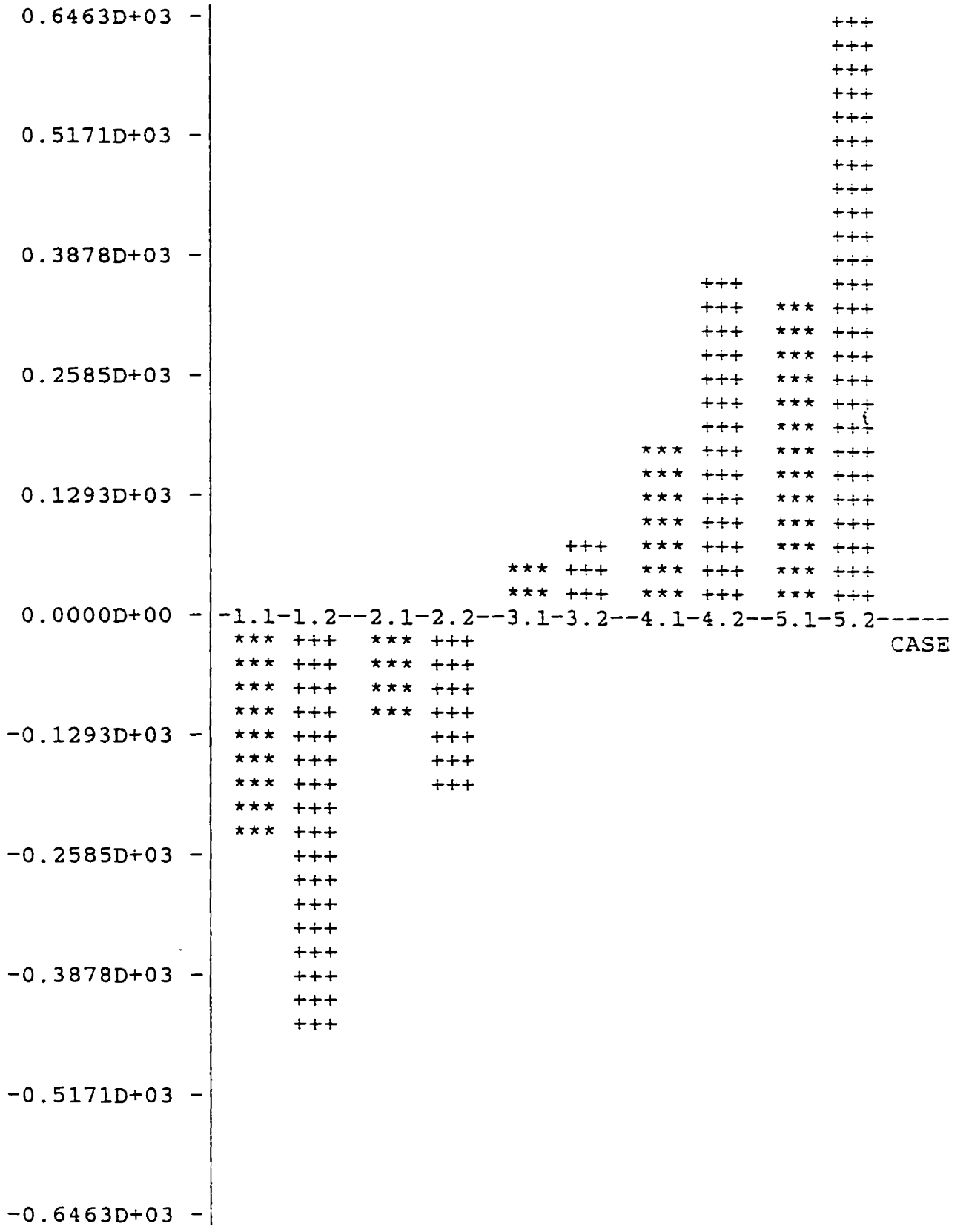


FIGURE 1.3 : COMPARISON OF SHARE & WAGE ECONOMY EMPLOYMENT, 1973:4-1976:3

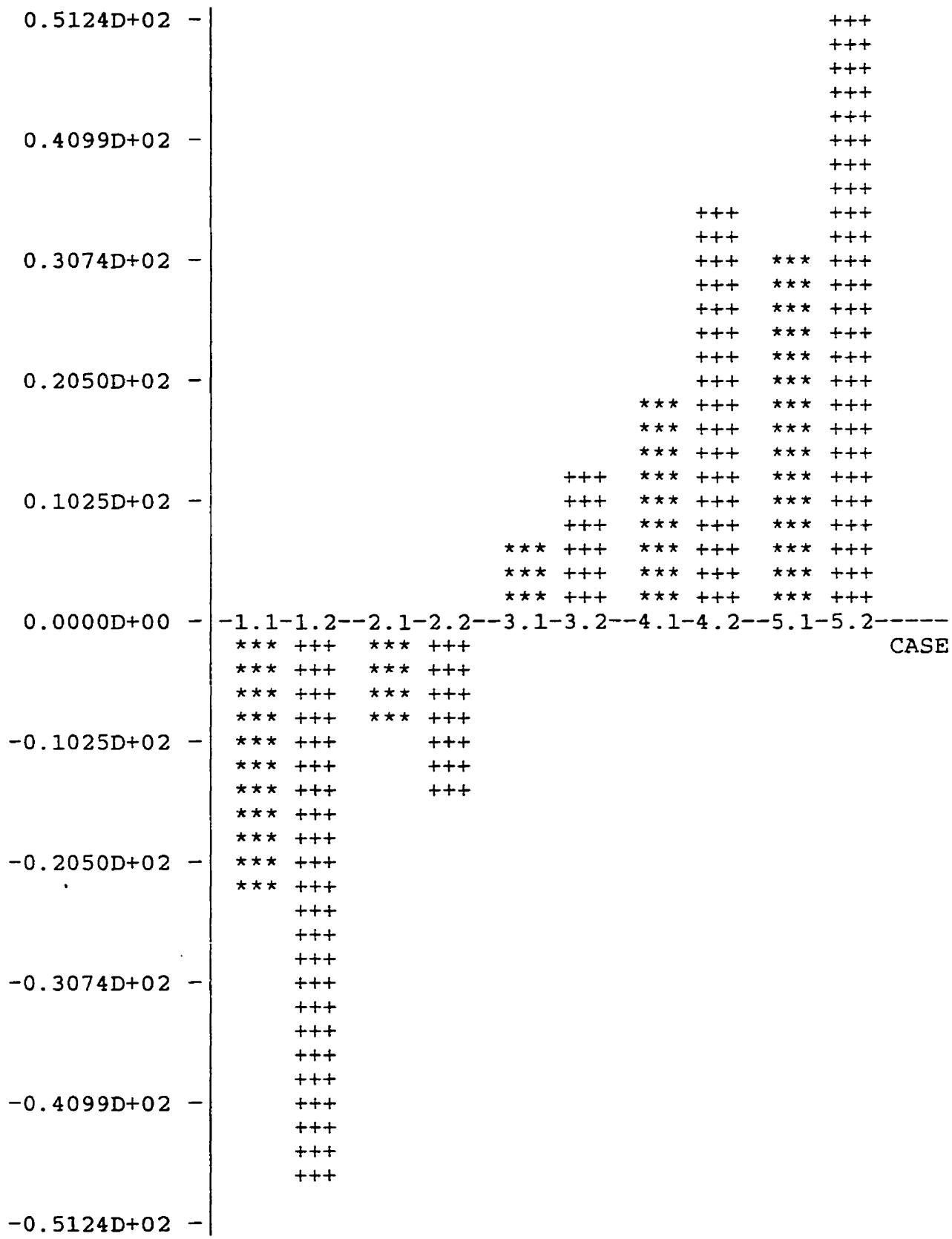


FIGURE 1.4 : COMPARISON OF SHARE & WAGE ECONOMY RATE OF INFLATION, GNP, 1973:4-1976:3

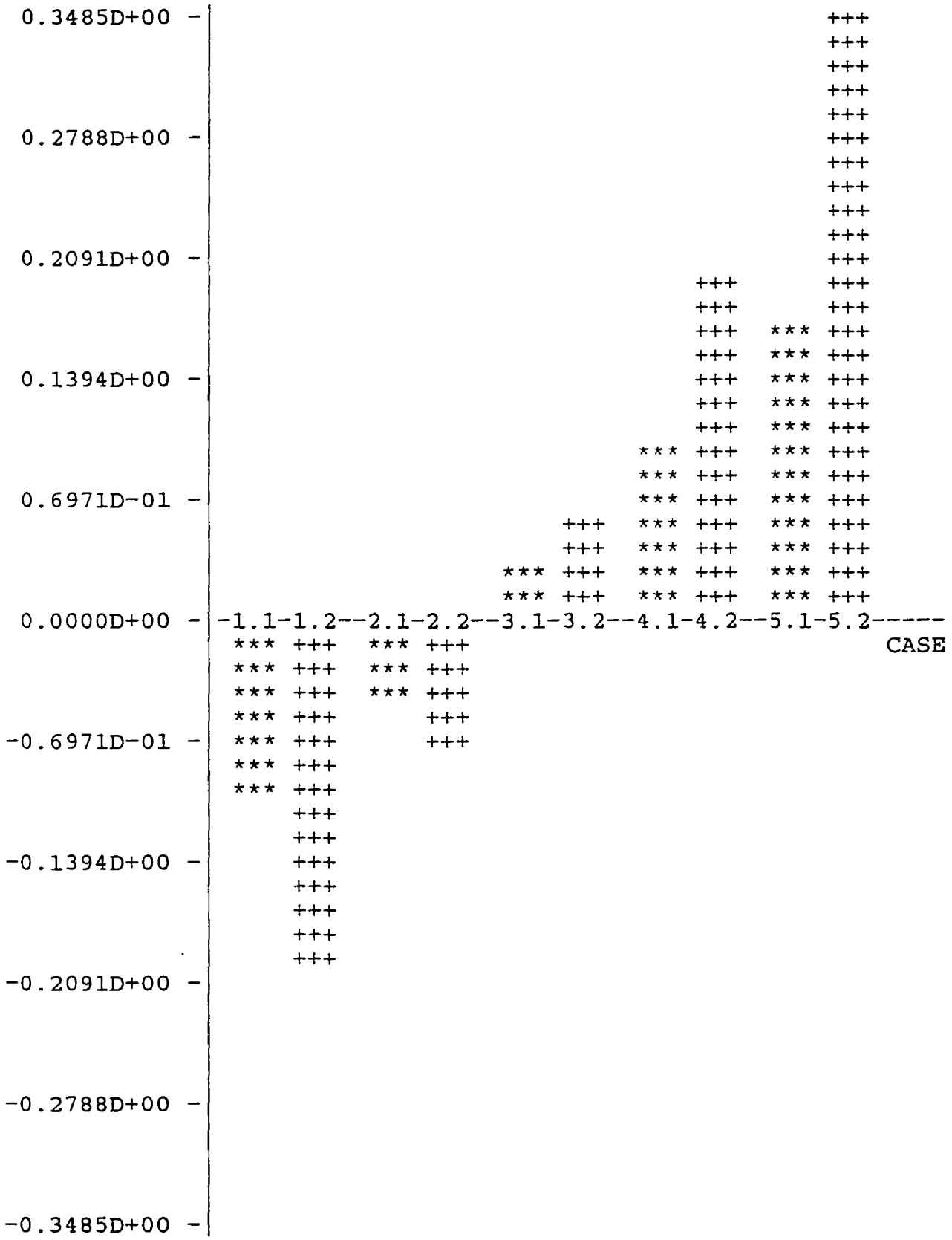


FIGURE 1.5 : COMPARISON OF SHARE & WAGE ECONOMY RATE OF INFLATION, CONSUMER EXPENDITURE, 1973:4-1976:3

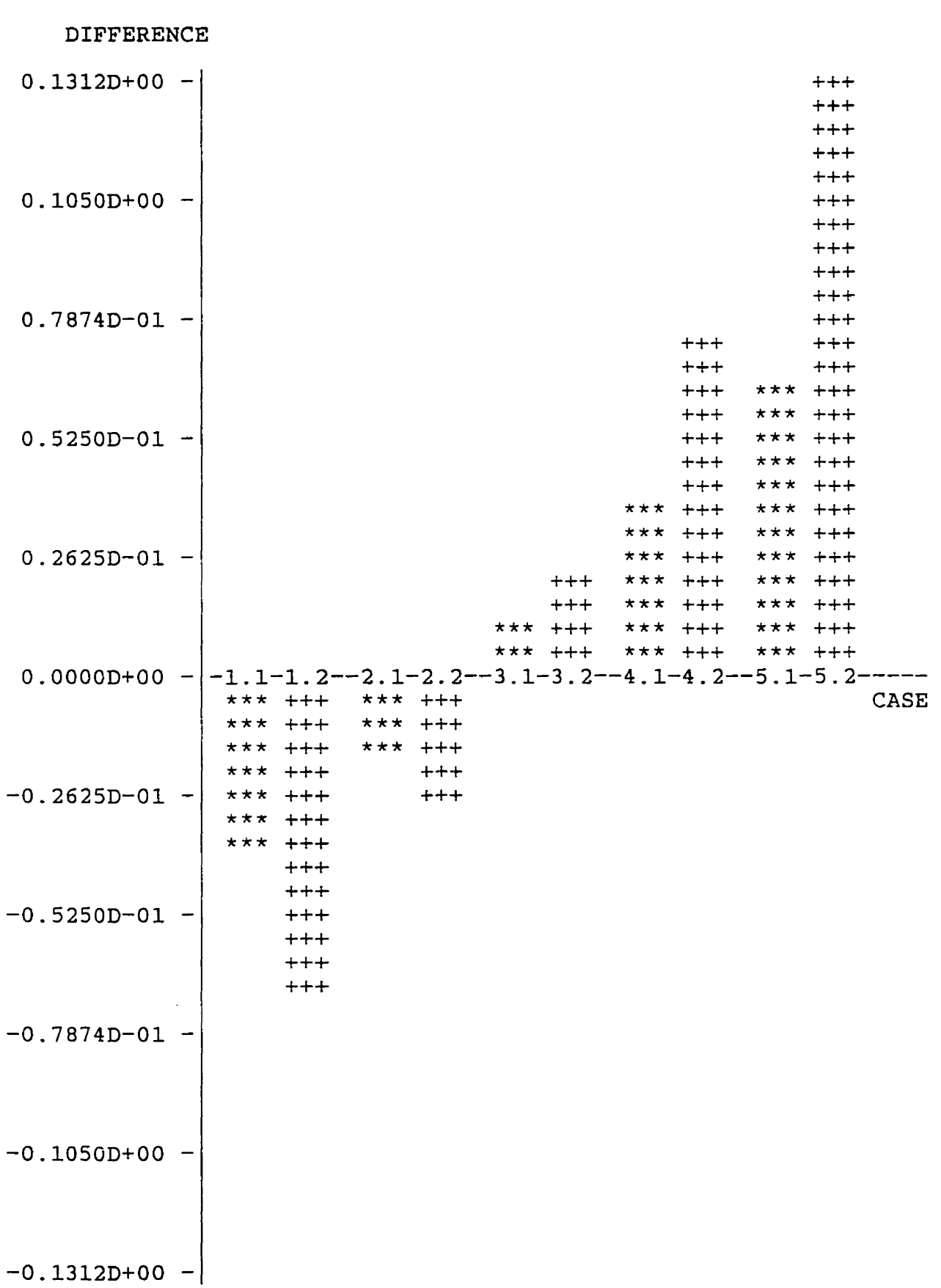


FIGURE 1.6 : COMPARISON OF SHARE & WAGE ECONOMY
LABOUR SHARE, 1973:4-1976:3

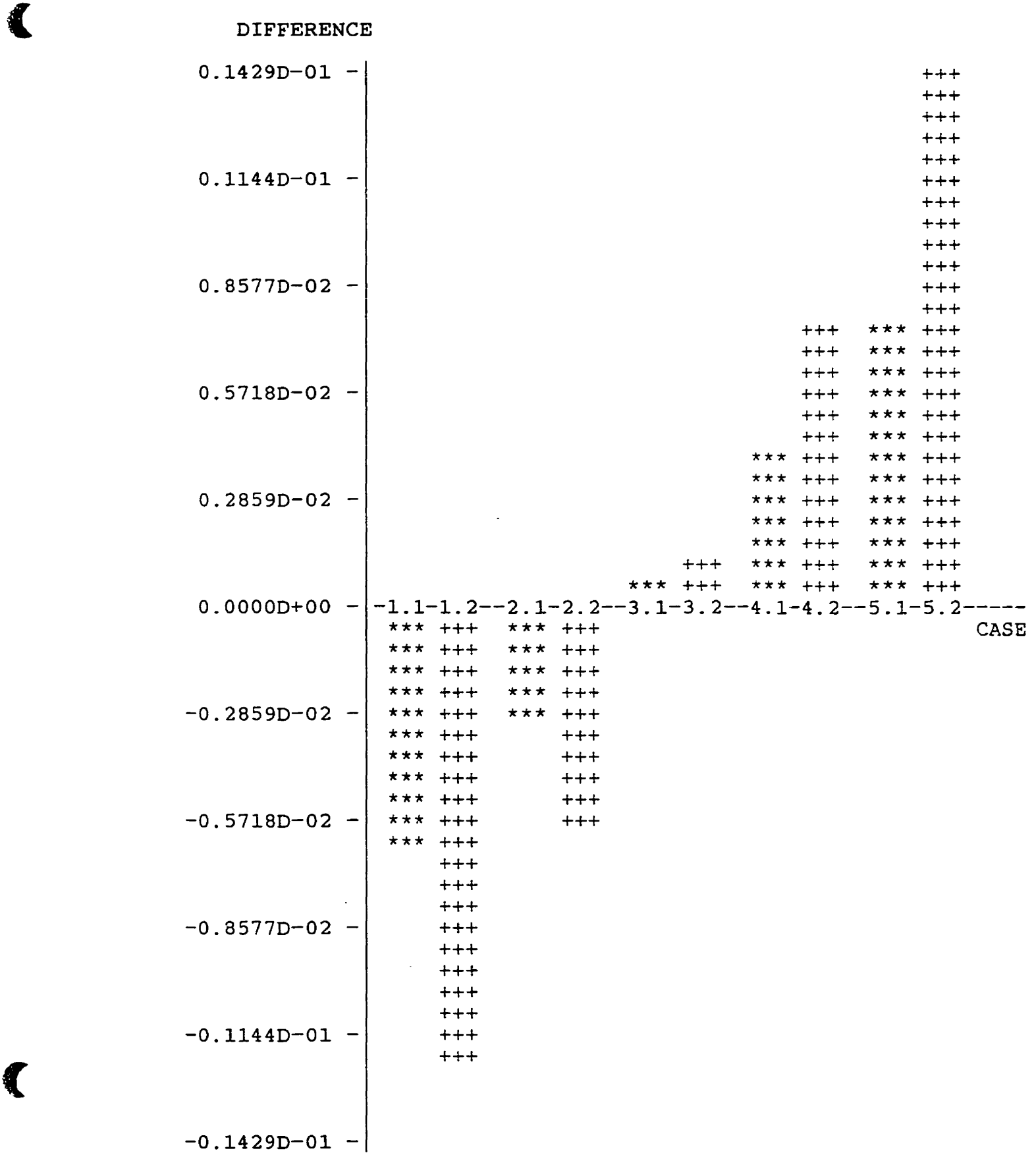


FIGURE 1.7 : COMPARISON OF SHARE & WAGE ECONOMY PERSONAL INCOME TAX IN CURRENT DOLLARS, 1973:4-1976:3

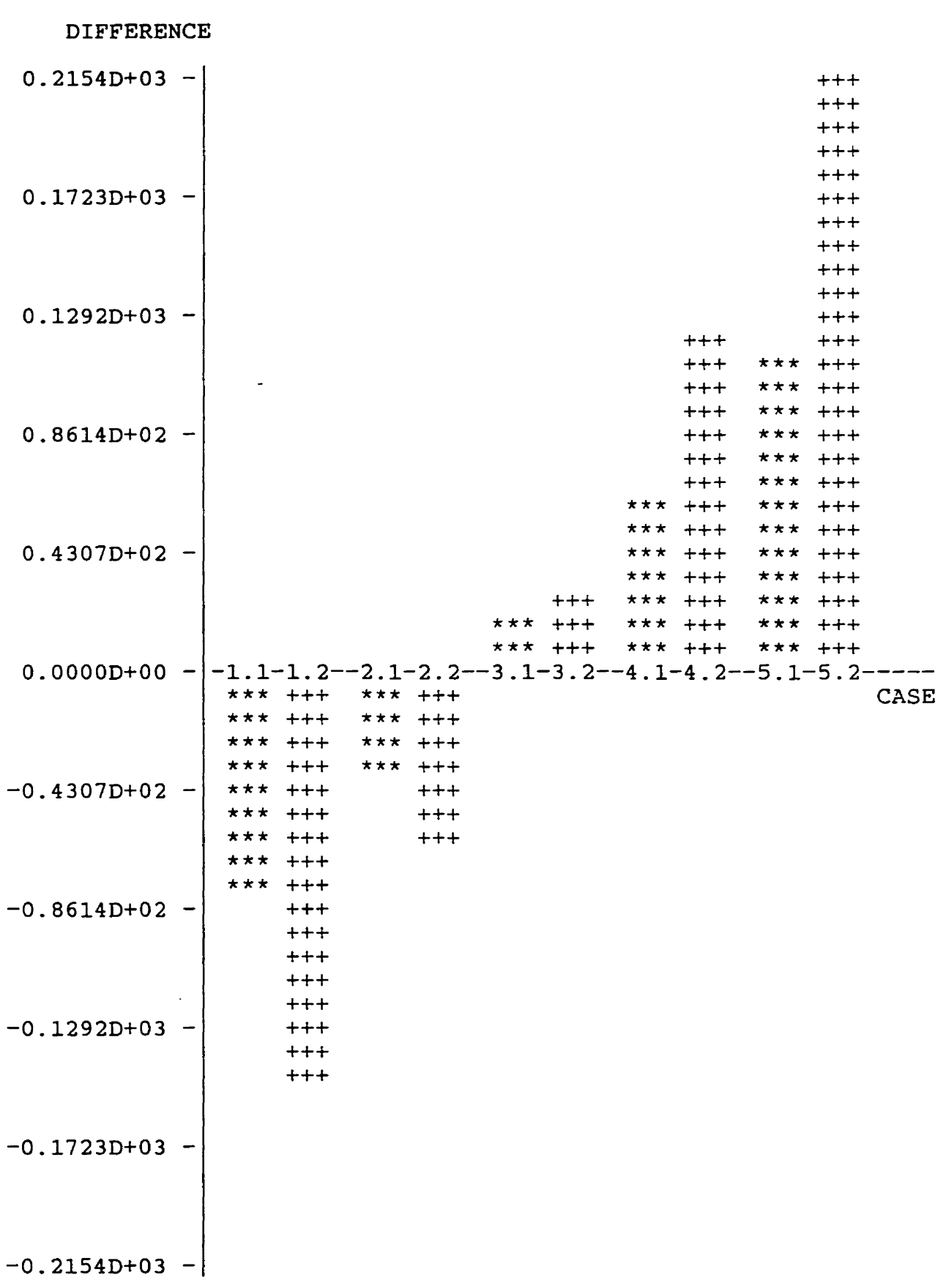


FIGURE 1.8 : COMPARISON OF SHARE & WAGE ECONOMY LABOUR FORCE, 1973:4-1976:3

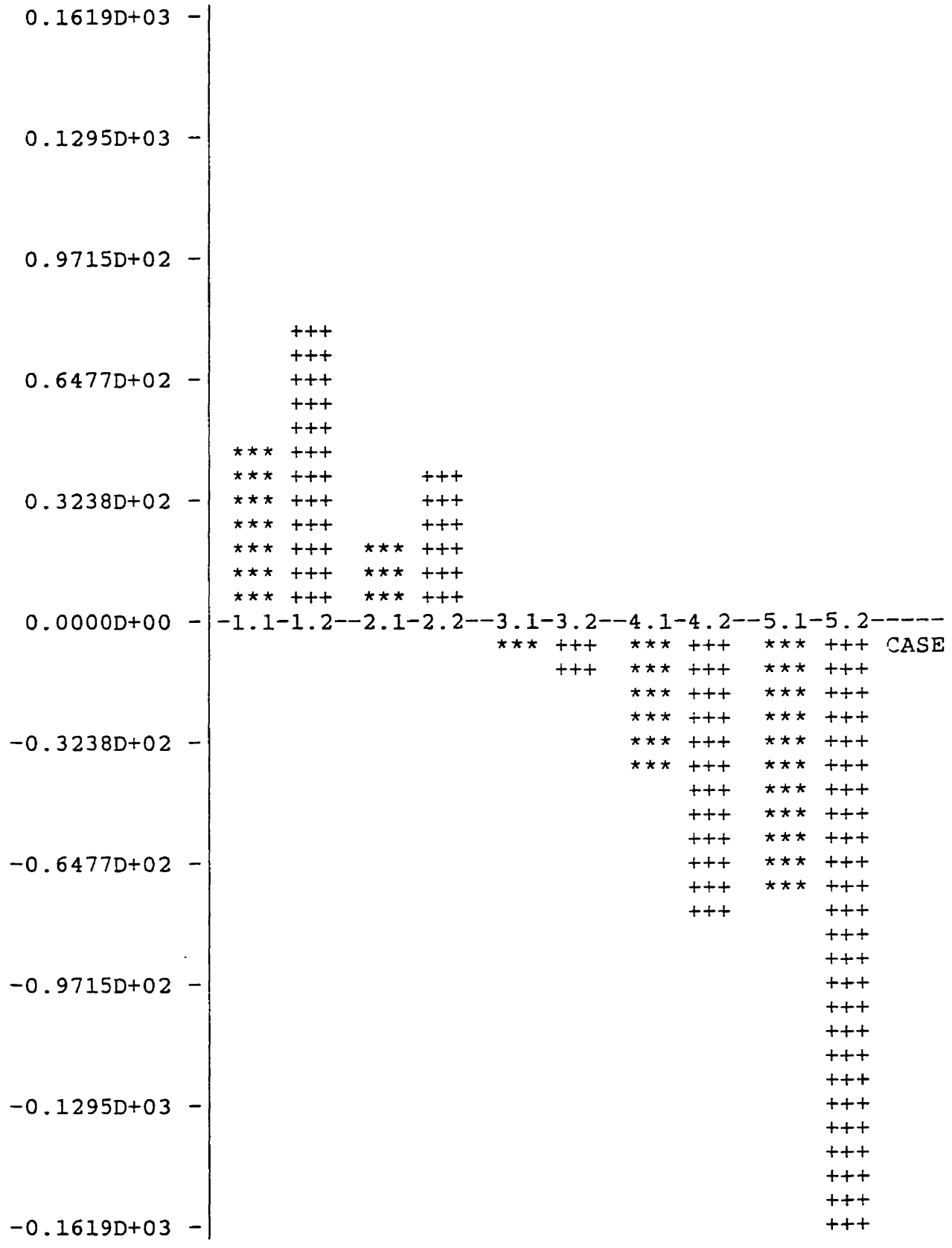


FIGURE 1.9 : COMPARISON OF SHARE & WAGE ECONOMY SPOT EXCHANGE RATE, 1973:4-1976:3

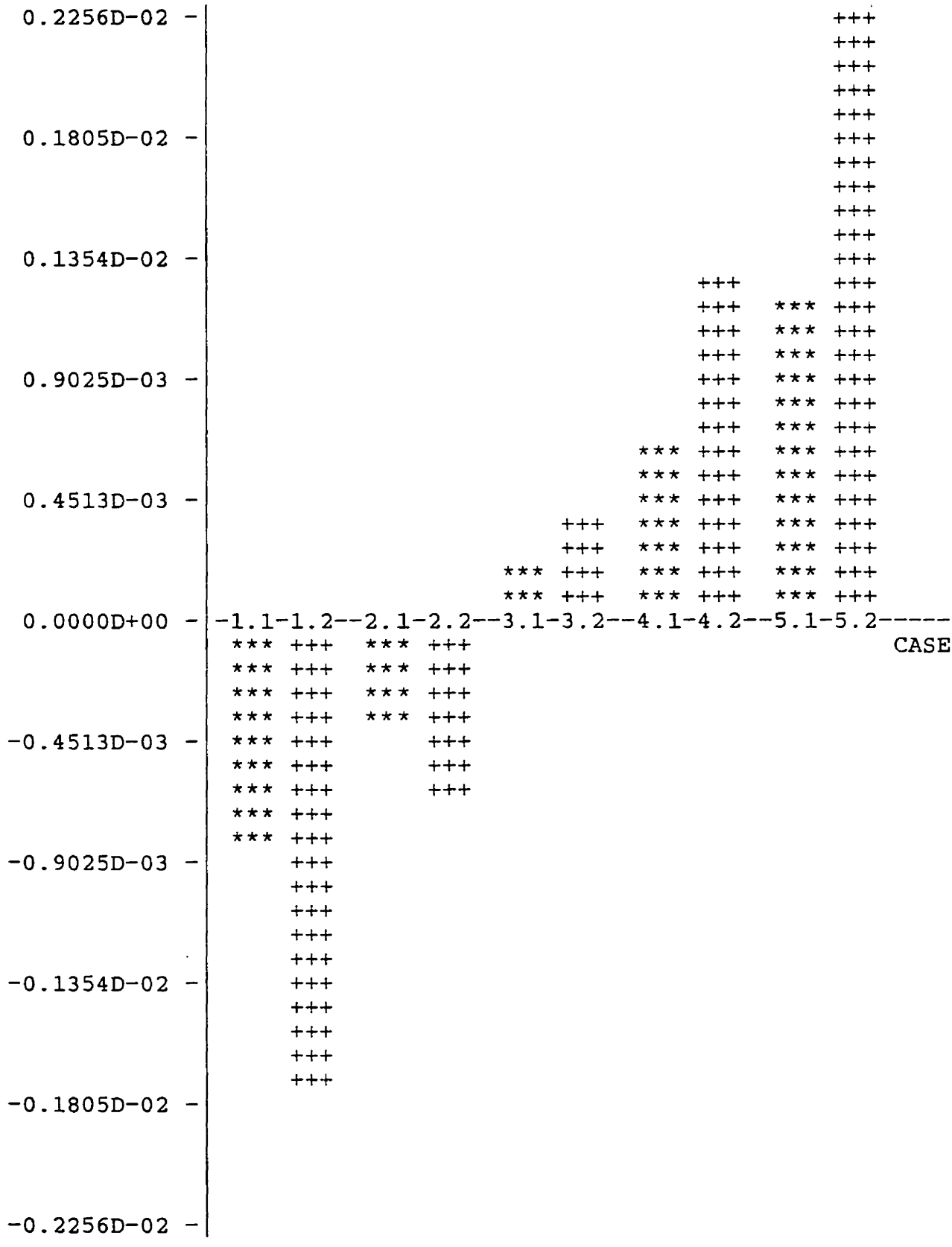


FIGURE 1.10: COMPARISON OF SHARE & WAGE ECONOMY CONSUMER EXPENDITURE, TOTAL, 1973:4-1976:3

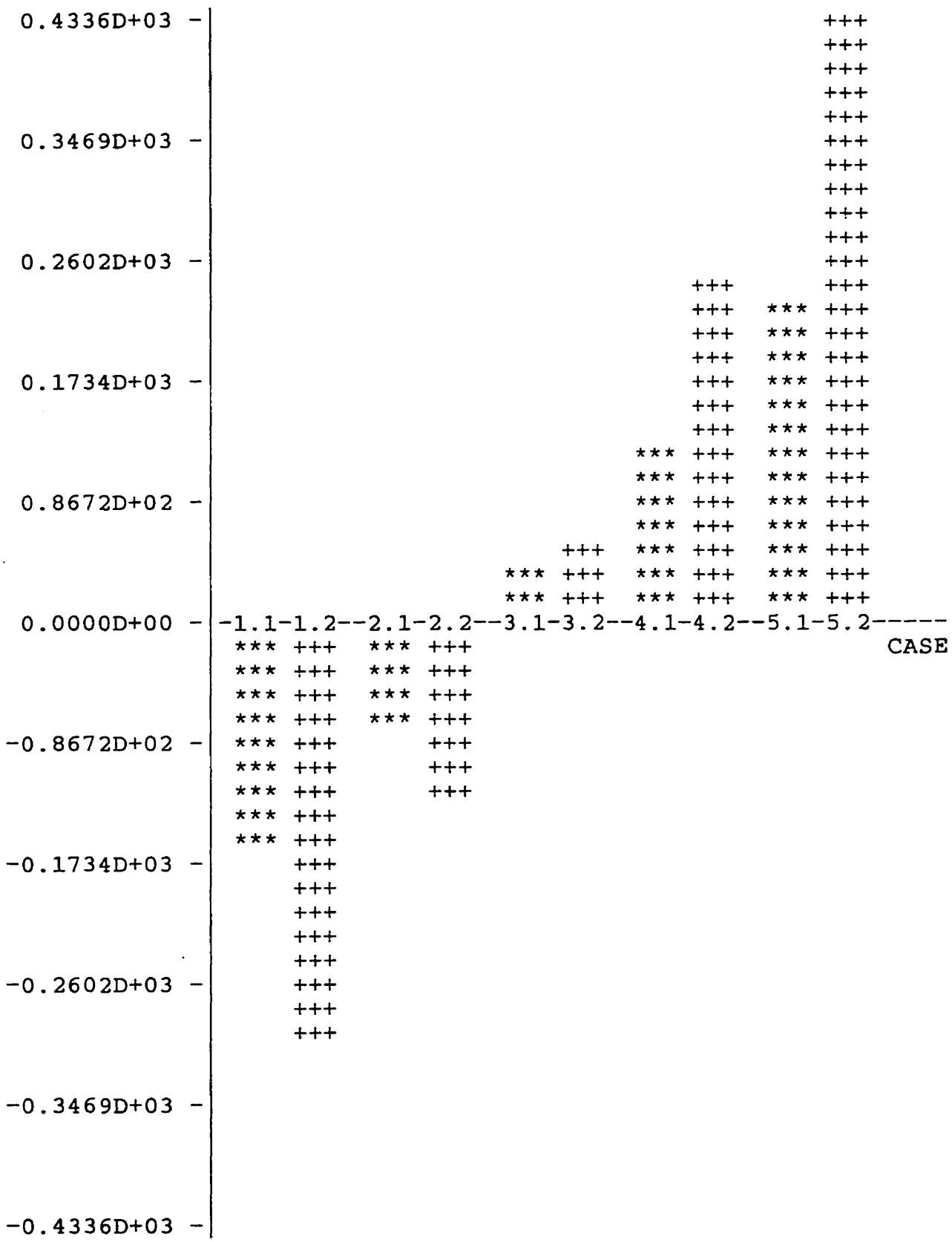


FIGURE 1.11: COMPARISON OF SHARE & WAGE ECONOMY INVESTMENT, TOTAL, 1973:4-1976:3

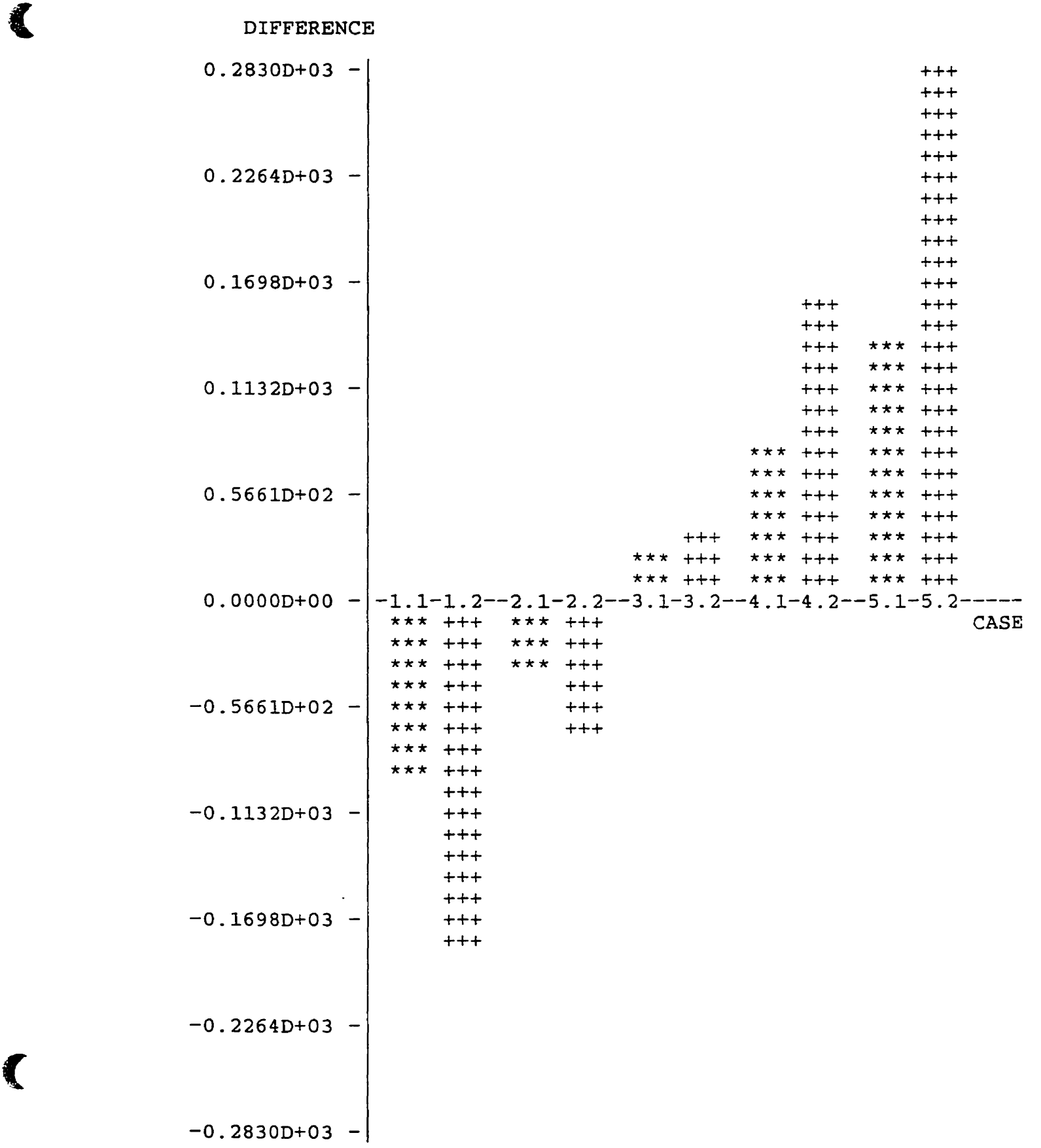


FIGURE 2.1 : COMPARISON OF SHARE & WAGE ECONOMY GNP GAP, 1977:1-1979:4

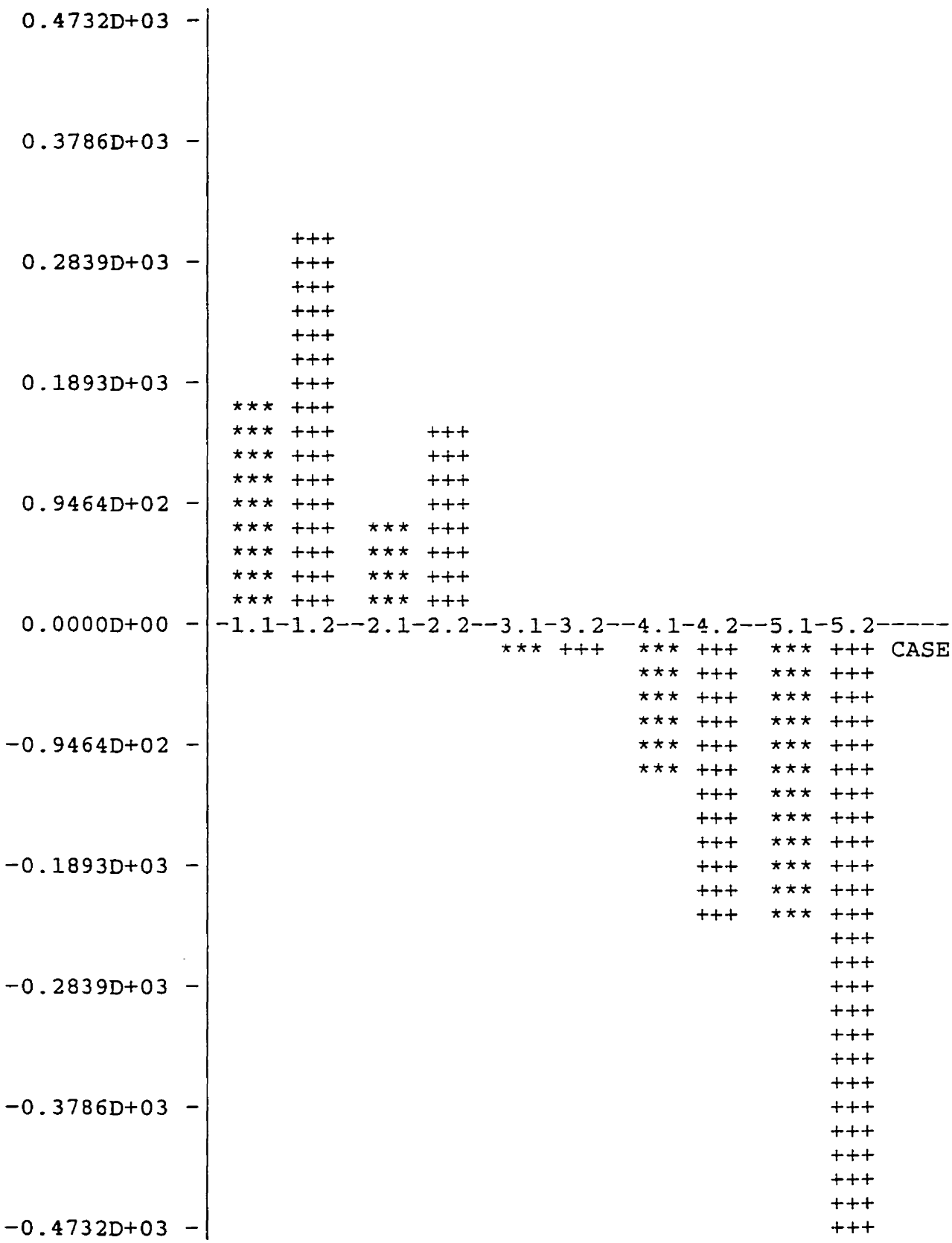


FIGURE 2.2 : COMPARISON OF SHARE & WAGE ECONOMY GNP, 1977:1-1979:4

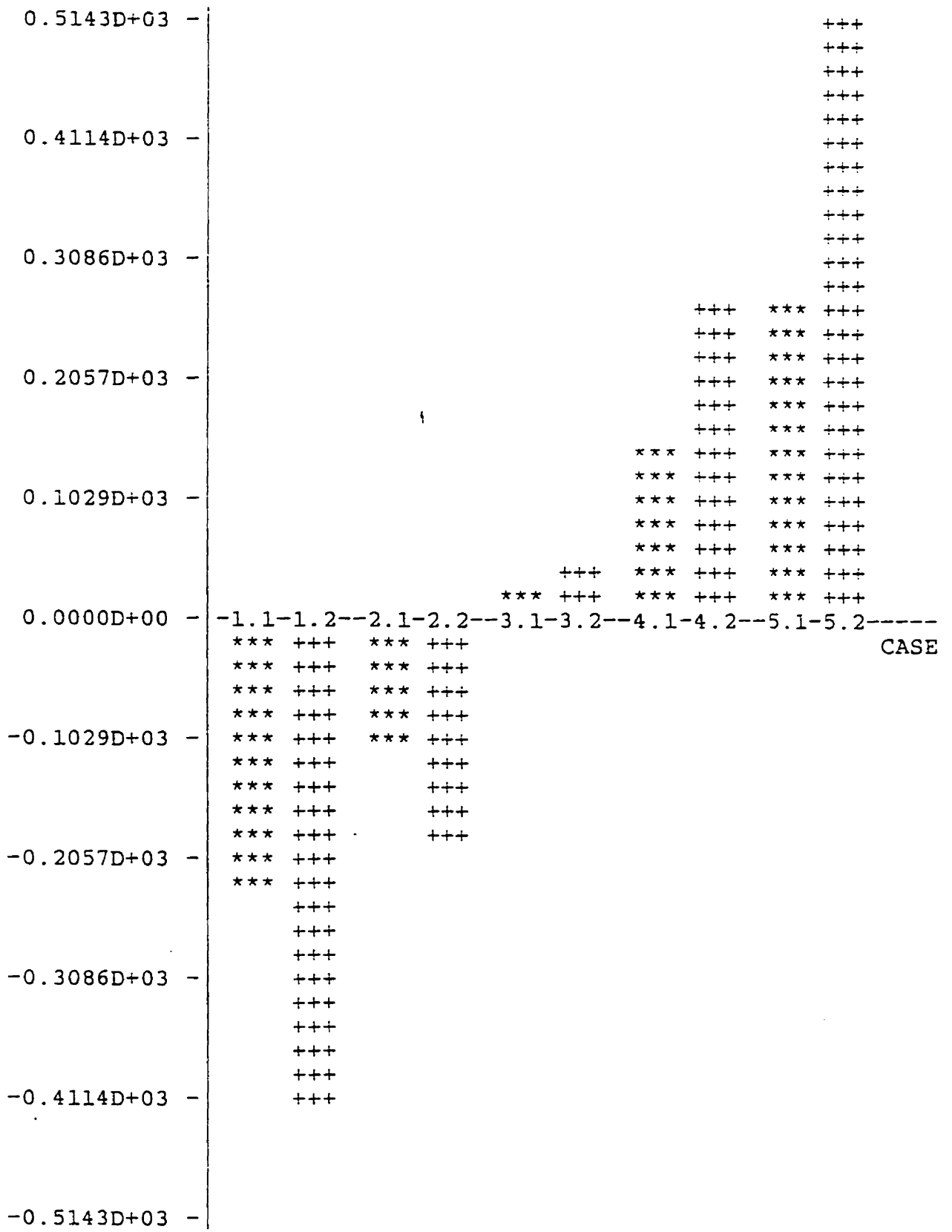


FIGURE 2.3 : COMPARISON OF SHARE & WAGE ECONOMY EMPLOYMENT, 1977:1-1979:4

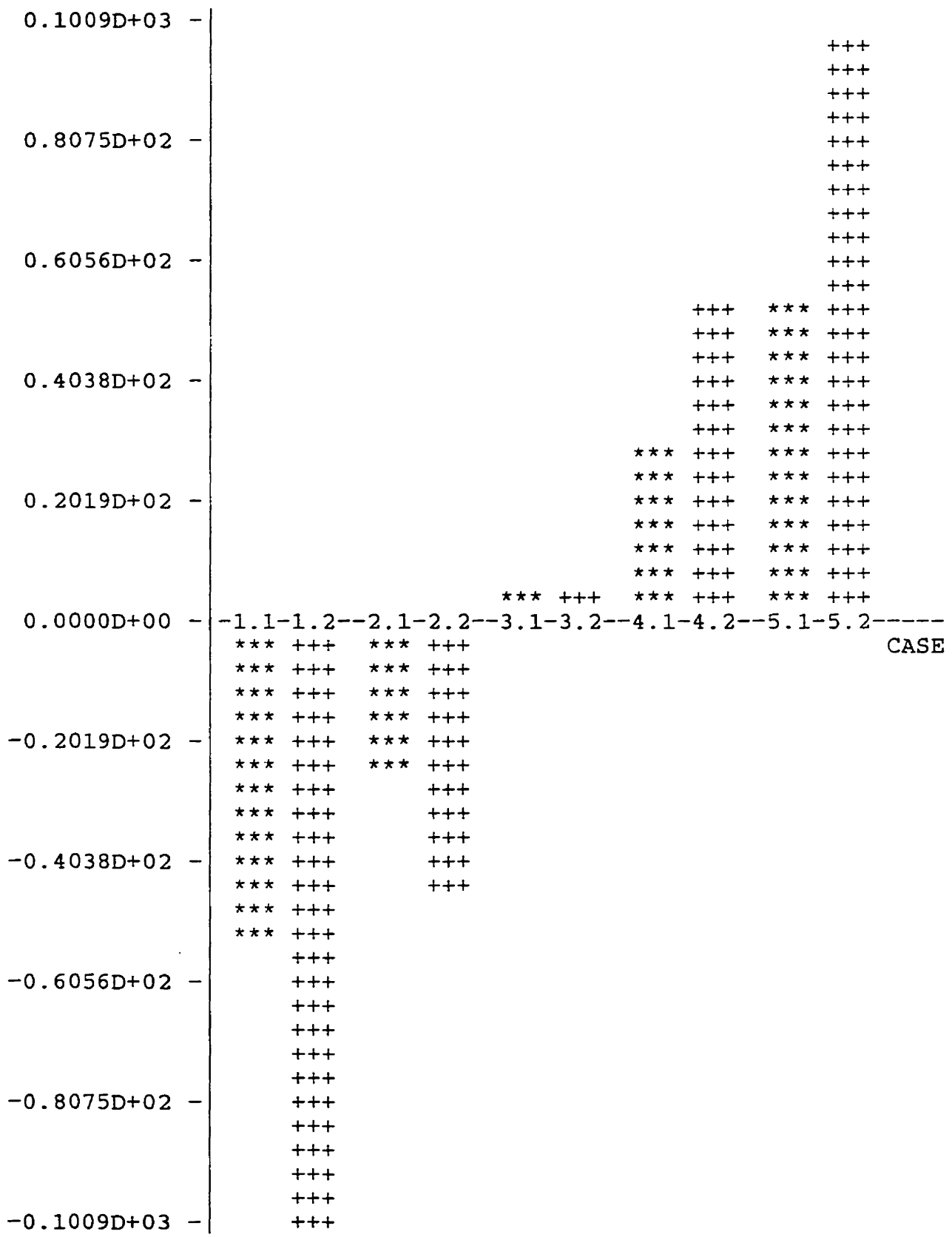


FIGURE 2.4 : COMPARISON OF SHARE & WAGE ECONOMY RATE OF INFLATION, GNP, 1977:1-1979:4

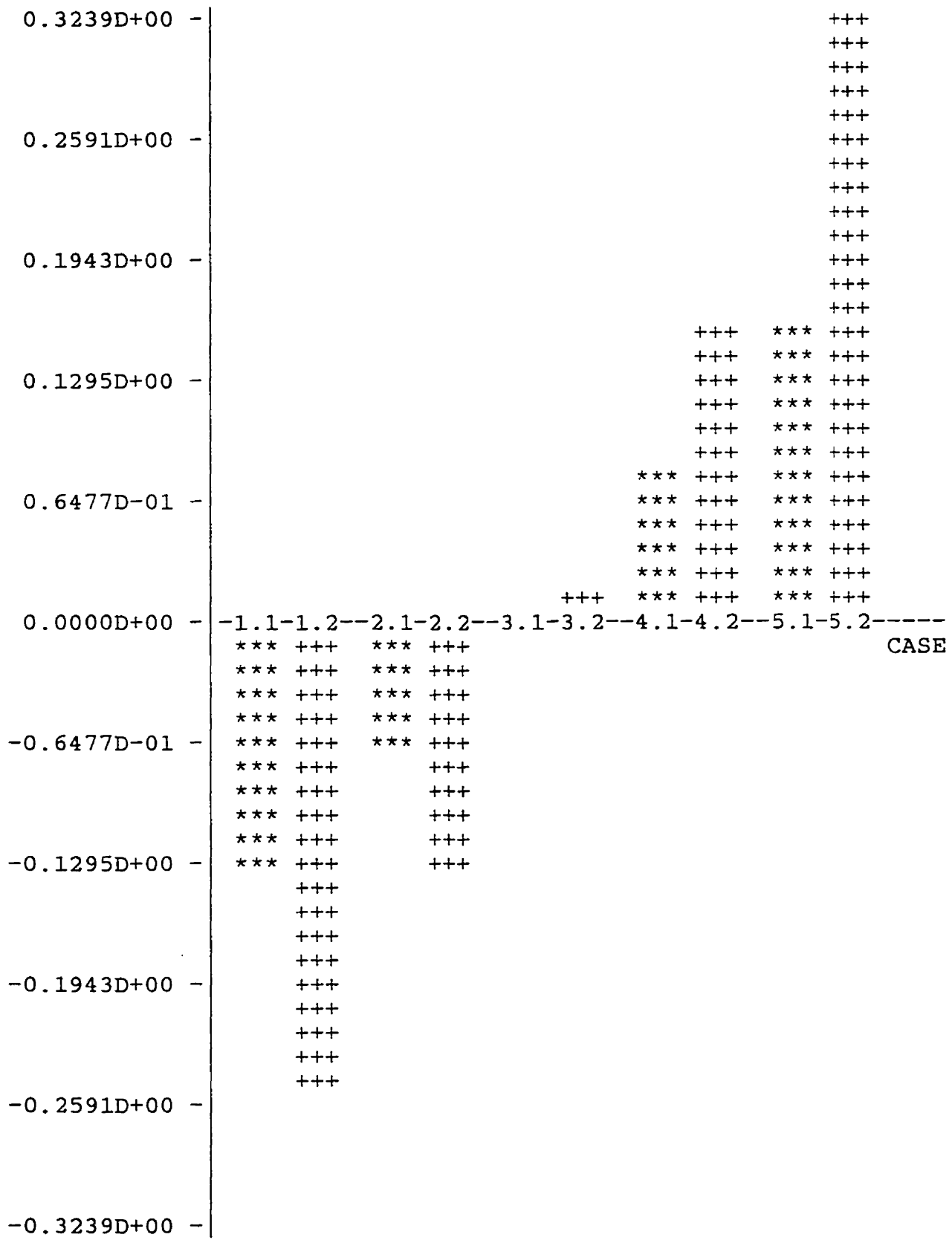


FIGURE 2.5 : COMPARISON OF SHARE & WAGE ECONOMY RATE OF INFLATION, CONSUMER EXPENDITURE, 1977:1-1979:4

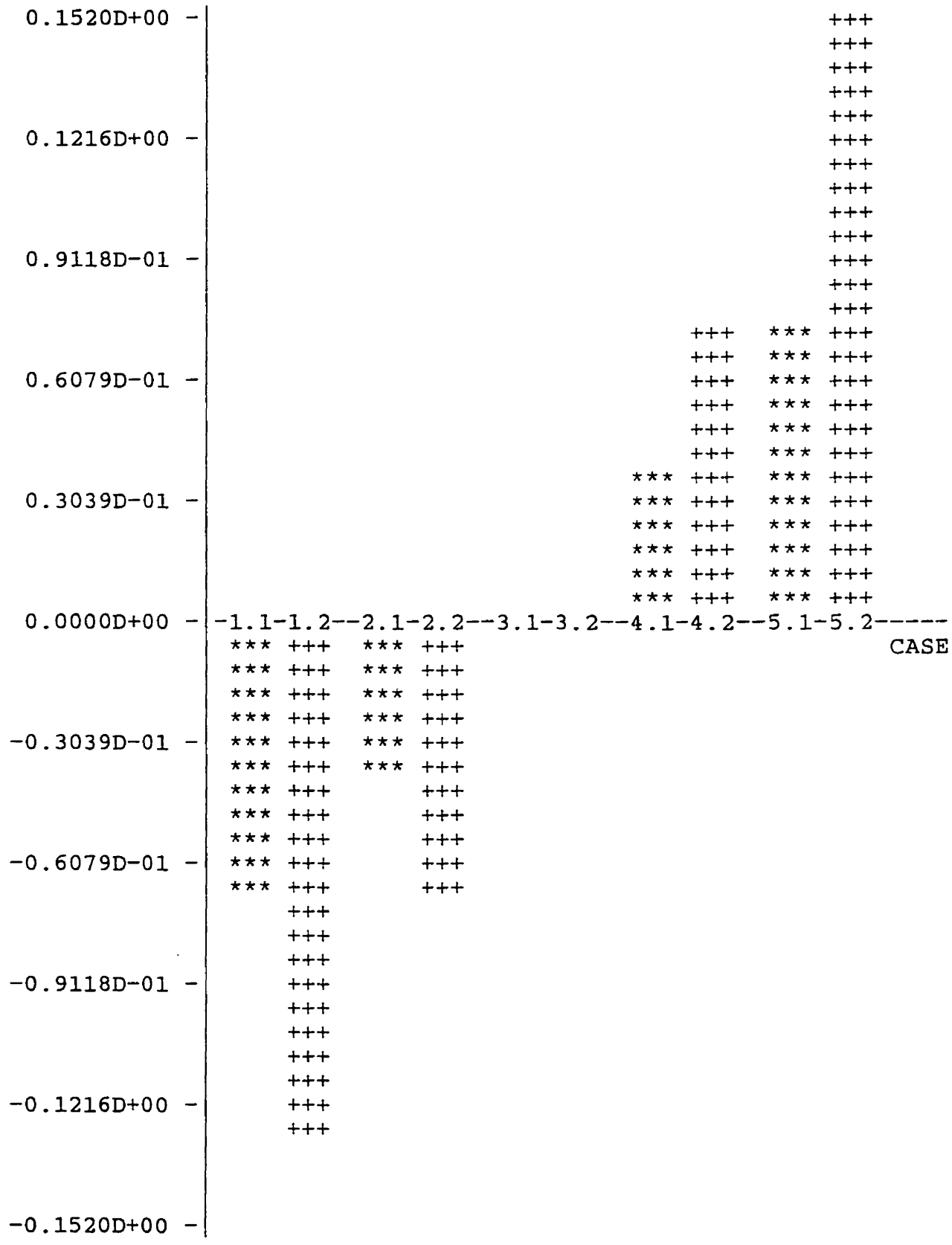


FIGURE 2.6 : COMPARISON OF SHARE & WAGE ECONOMY LABOUR SHARE, 1977:1-1979:4

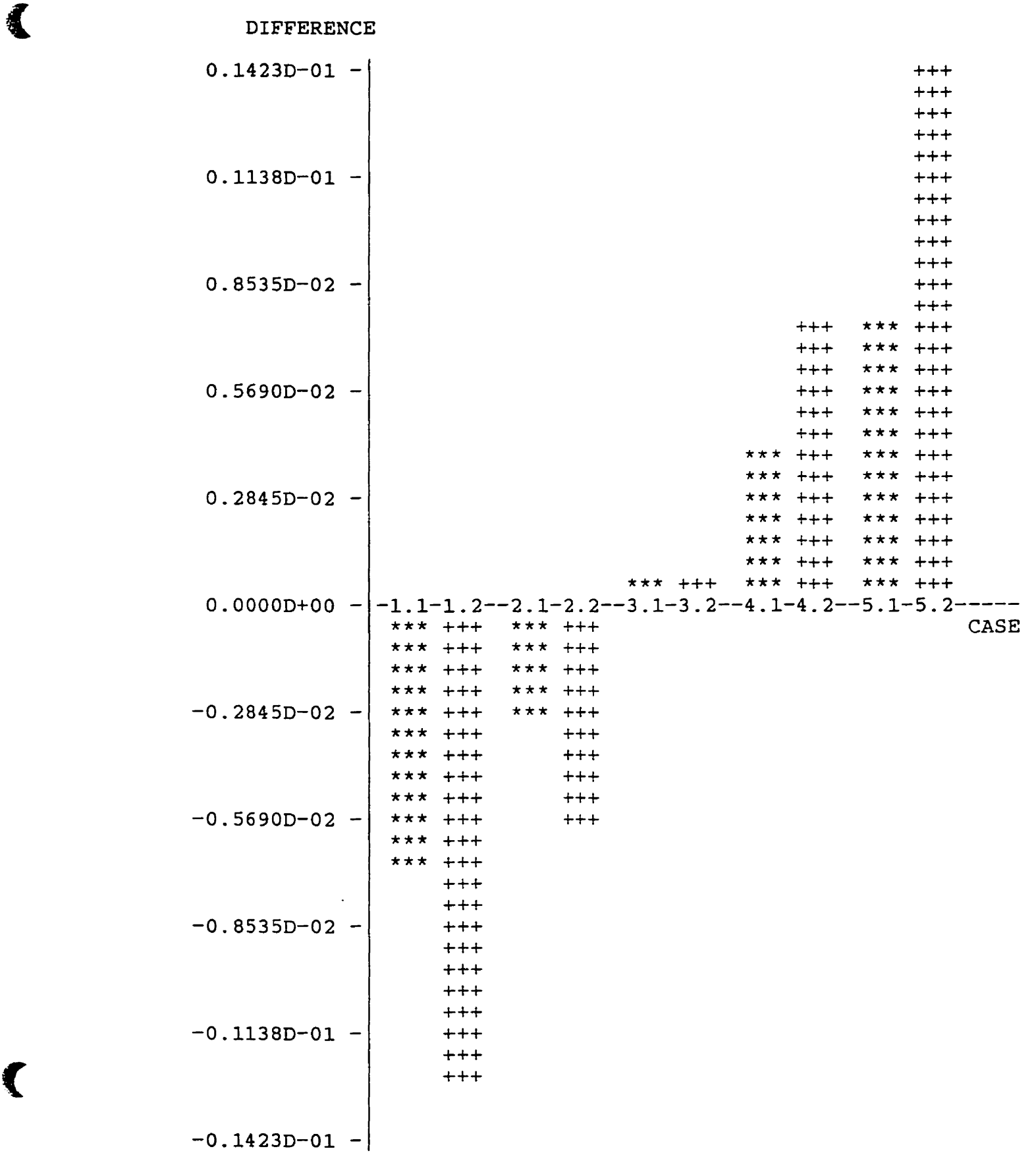


FIGURE 2.7 : COMPARISON OF SHARE & WAGE ECONOMY
PERSONAL INCOME TAX IN CURRENT DOLLARS, 1977:1-1979:4

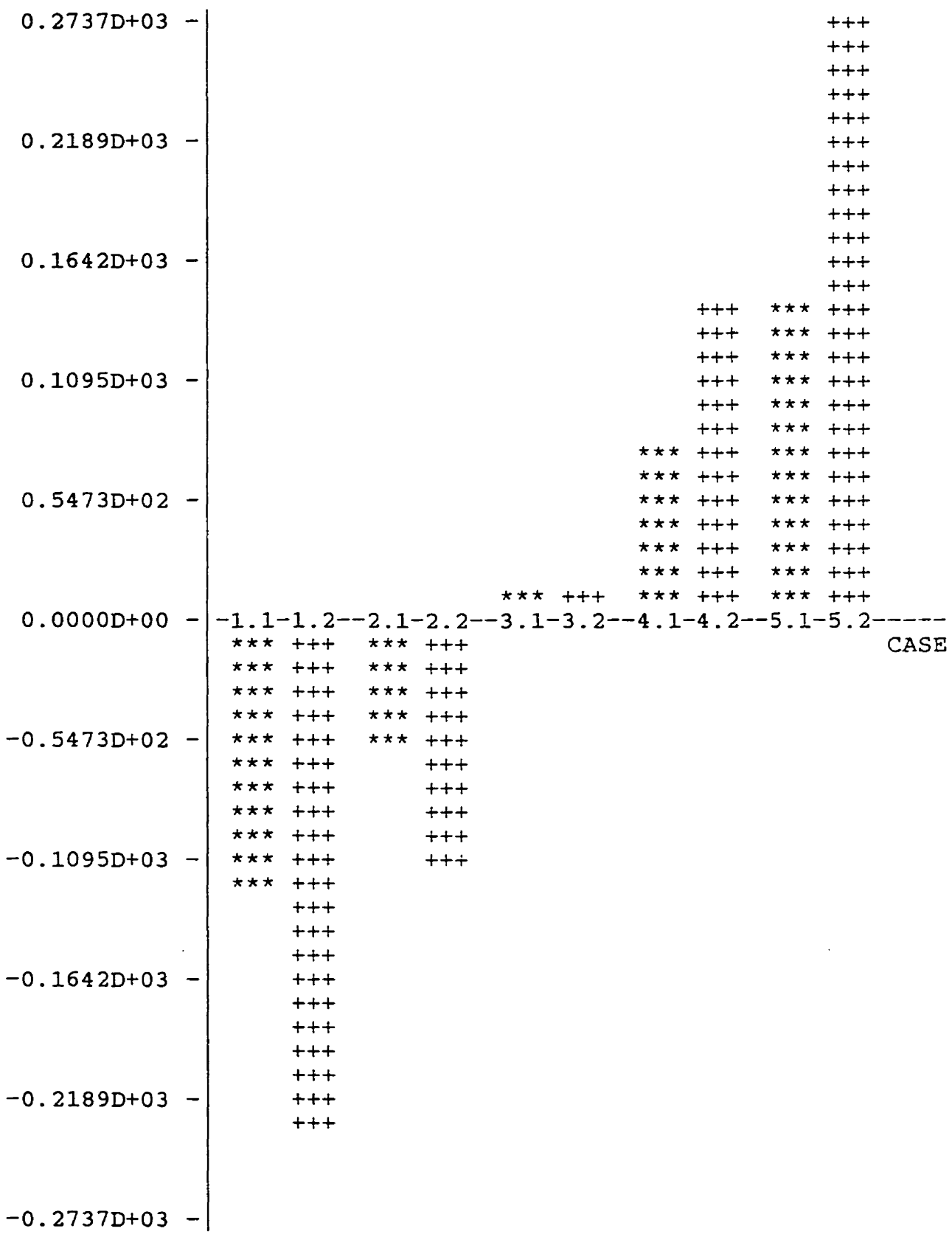


FIGURE 2.8 : COMPARISON OF SHARE & WAGE ECONOMY LABOUR FORCE, 1977:1-1979:4

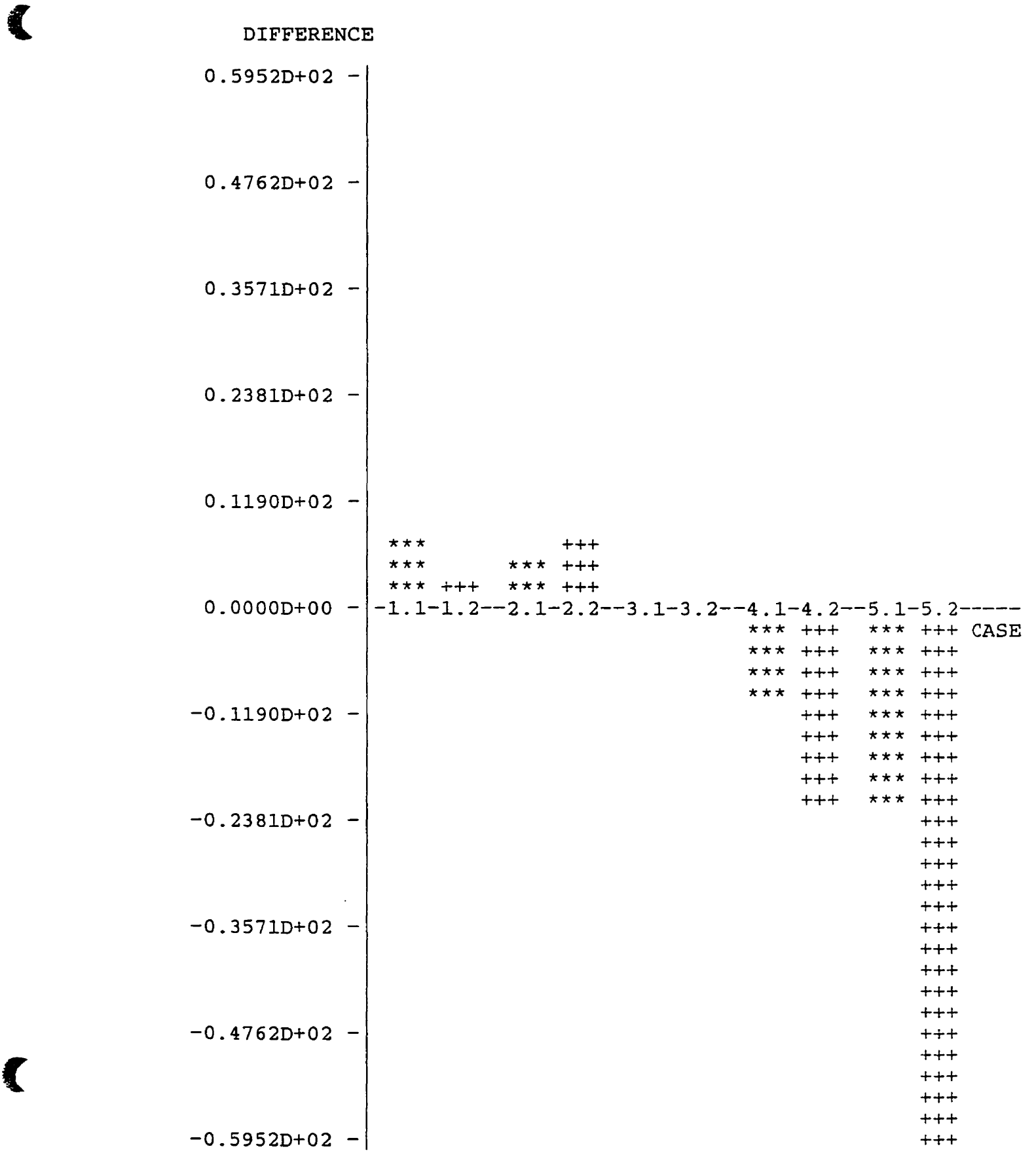


FIGURE 2.9 : COMPARISON OF SHARE & WAGE ECONOMY SPOT EXCHANGE RATE, 1977:1-1979:4

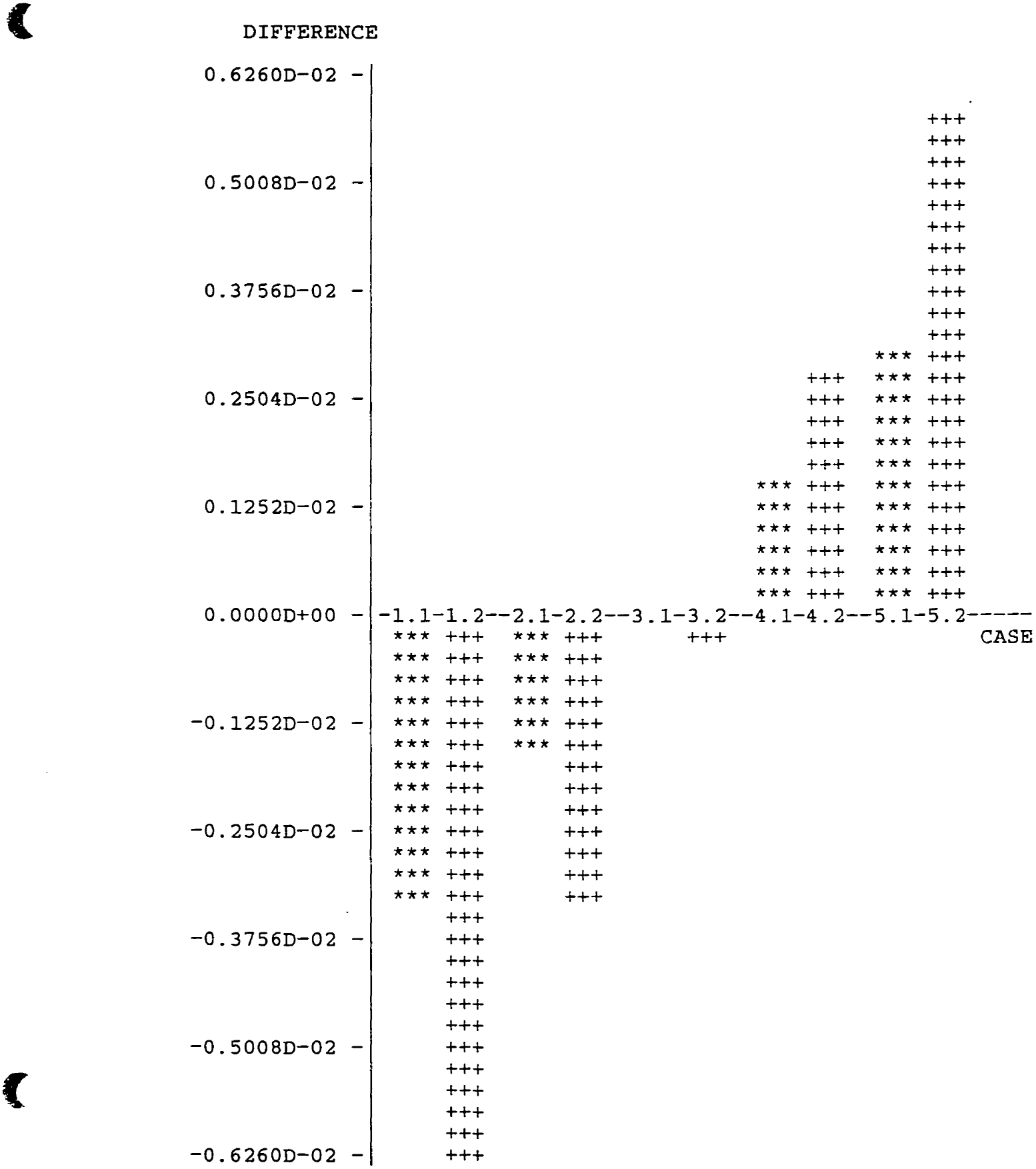


FIGURE 2.10: COMPARISON OF SHARE & WAGE ECONOMY CONSUMER EXPENDITURE, TOTAL, 1977:1-1979:4

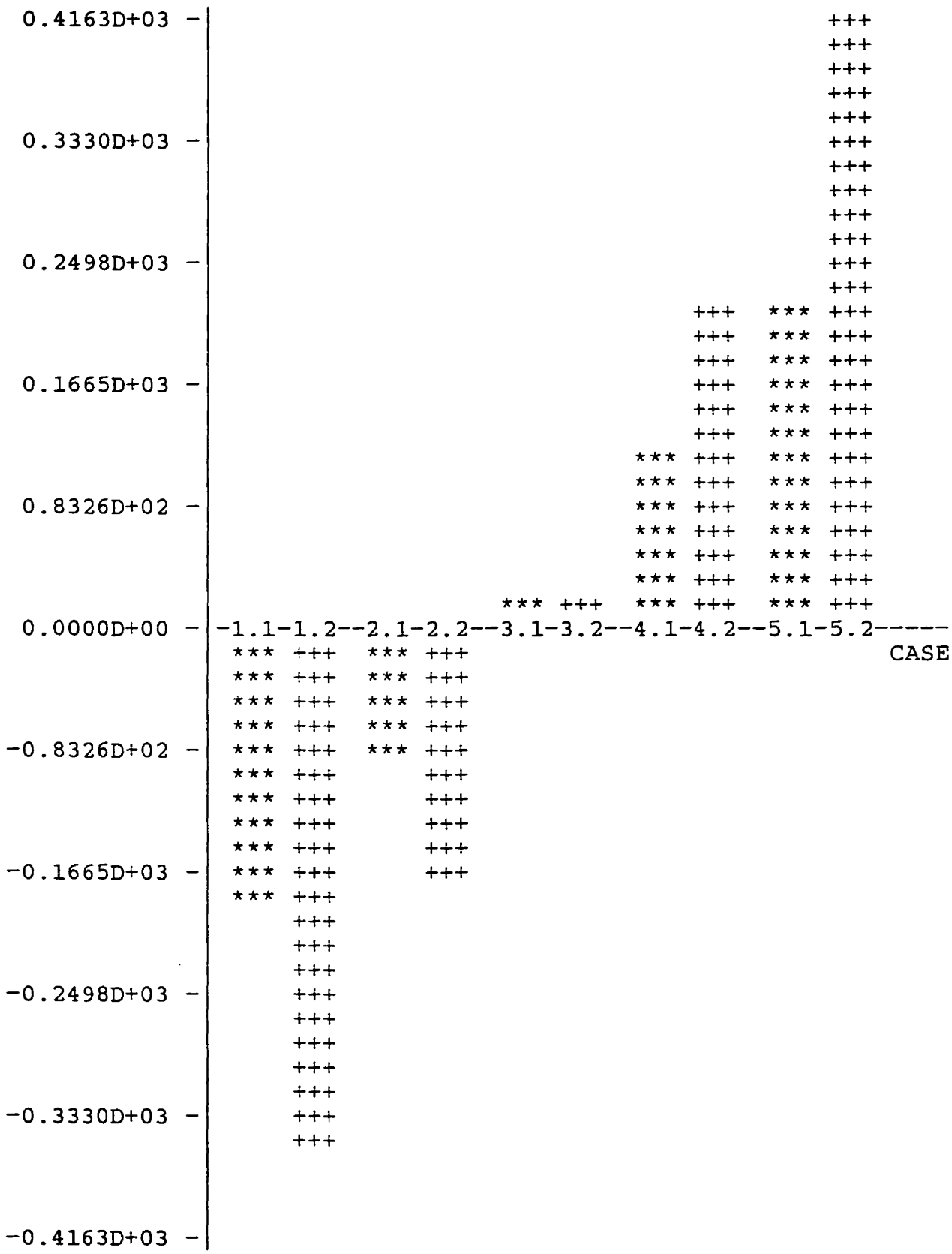


FIGURE 2.11: COMPARISON OF SHARE & WAGE ECONOMY INVESTMENT, TOTAL, 1977:1-1979:4

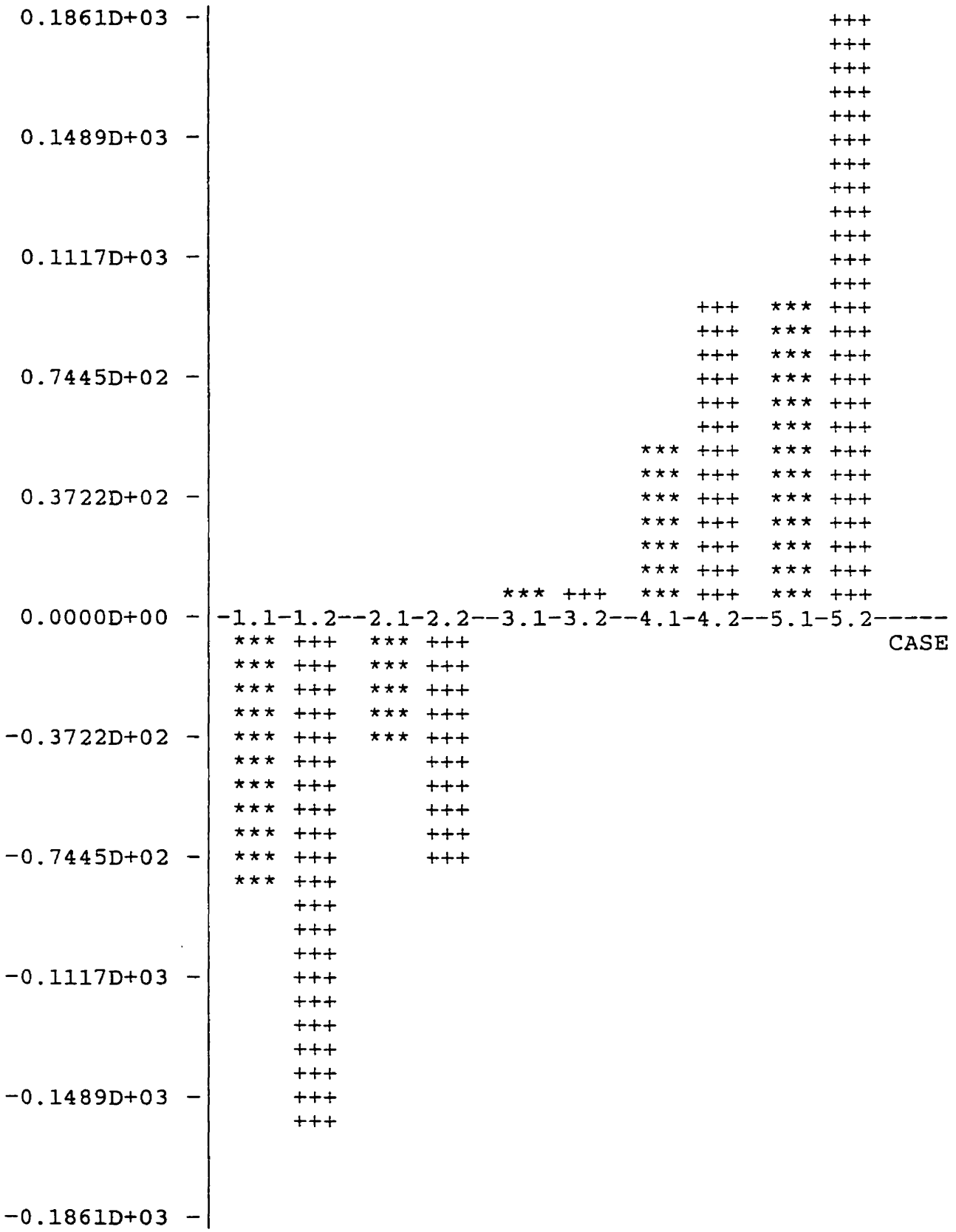


FIGURE 3.1 : COMPARISON OF SHARE & WAGE ECONOMY GNP GAP, 1980:2-1983:1

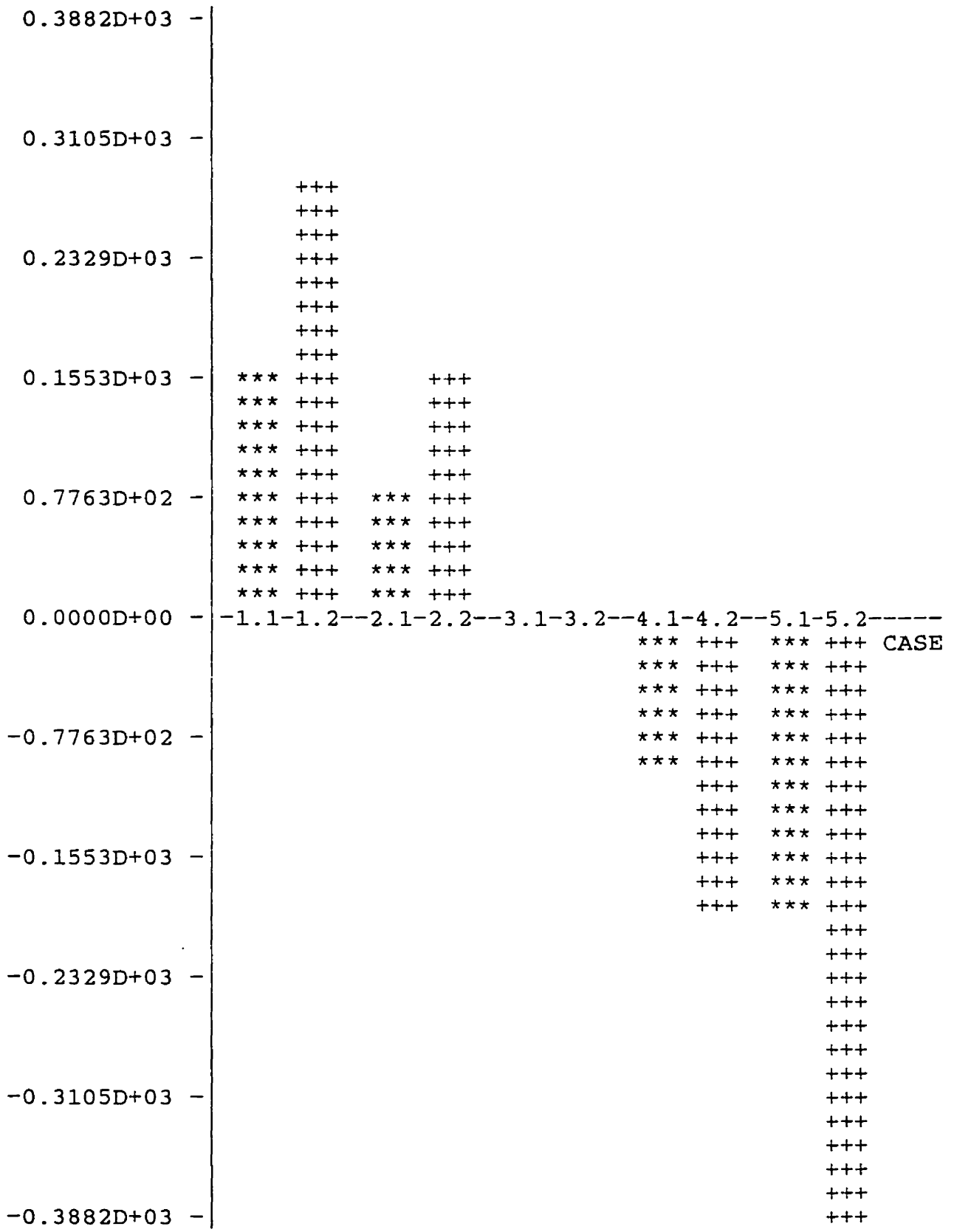


FIGURE 3.2 : COMPARISON OF SHARE & WAGE ECONOMY GNP, 1980:2-1983:1

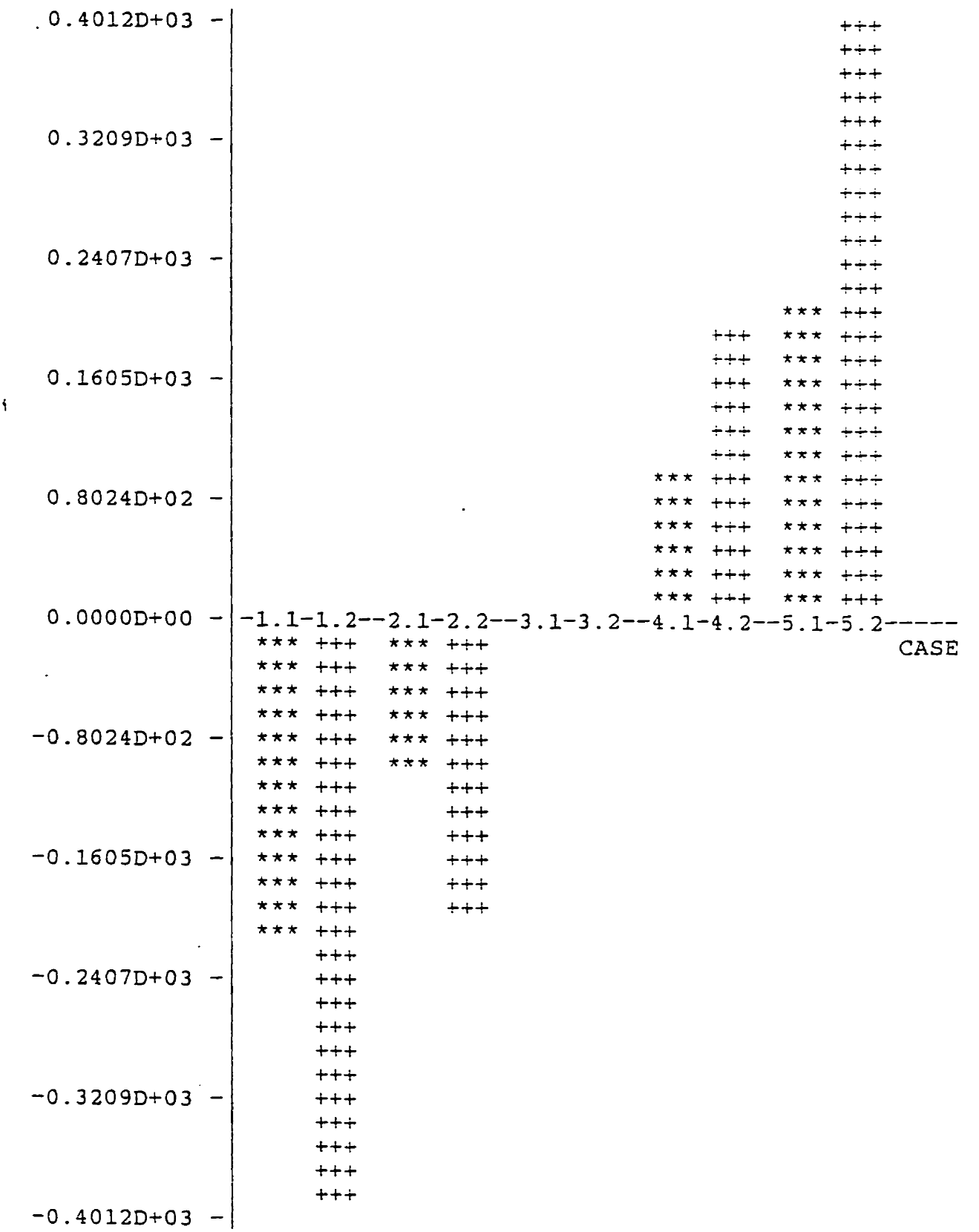


FIGURE 3.3 : COMPARISON OF SHARE & WAGE ECONOMY EMPLOYMENT, 1980:2–1983:1

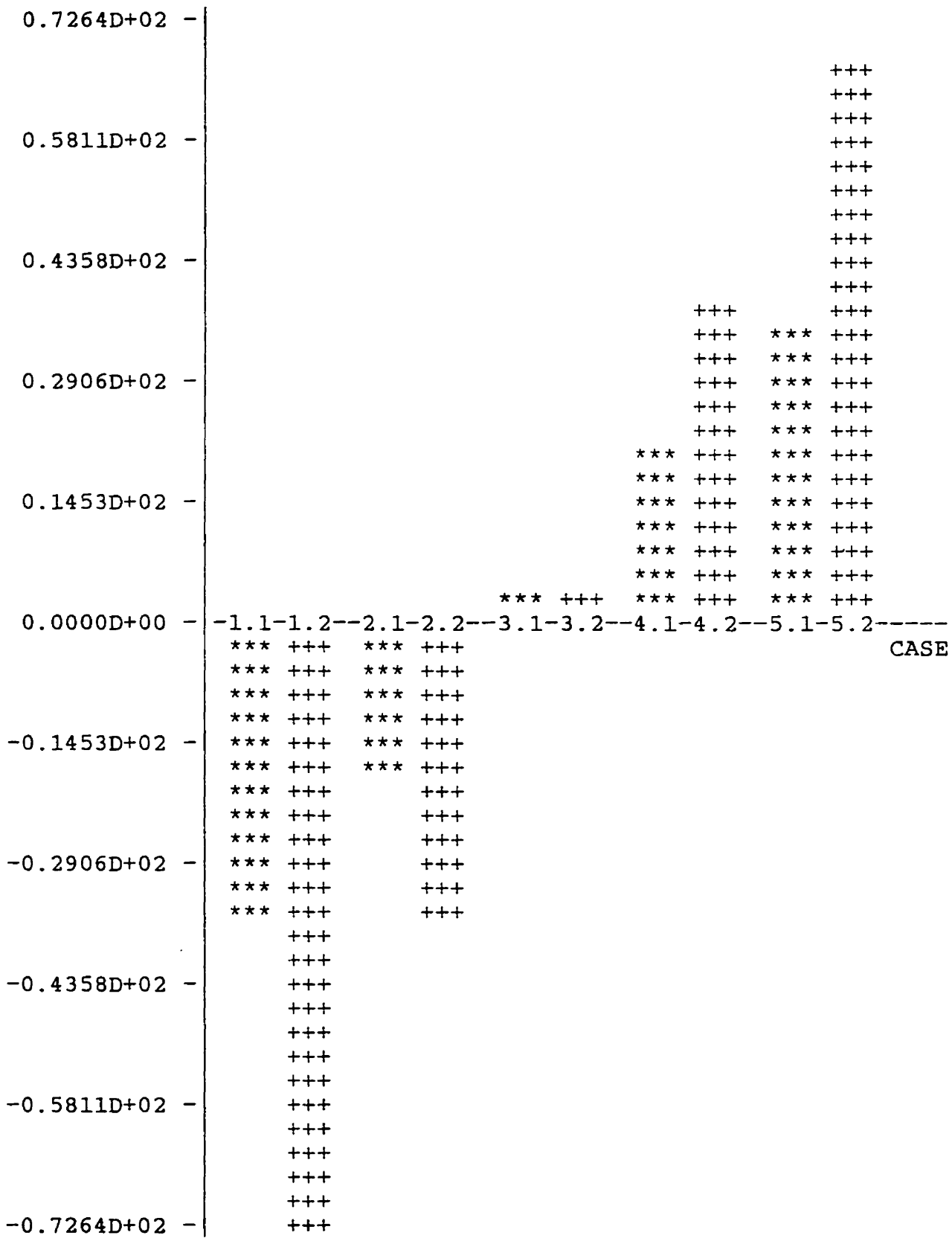


FIGURE 3.4 : COMPARISON OF SHARE & WAGE ECONOMY RATE OF INFLATION, GNP, 1980:2-1983:1

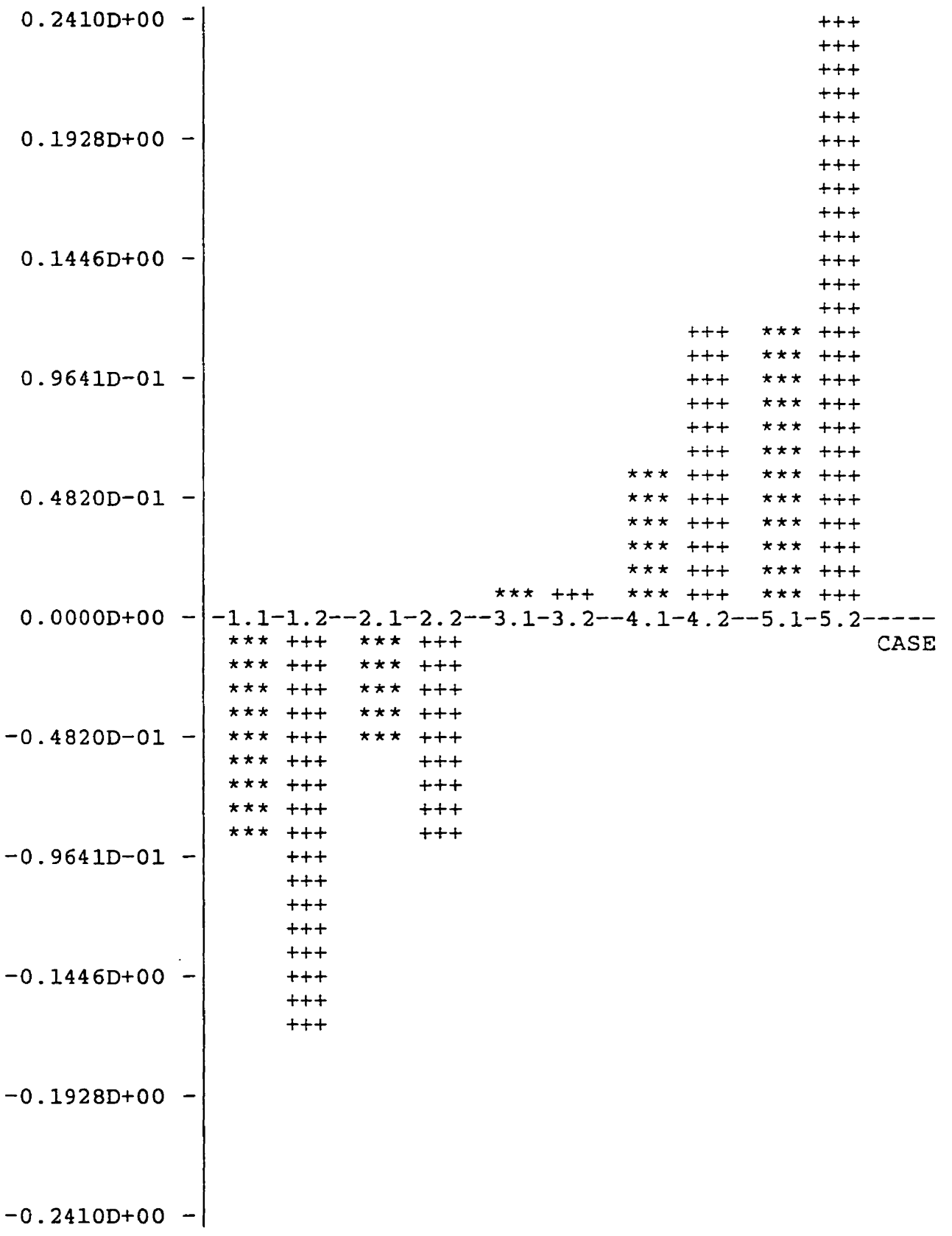


FIGURE 3.5 : COMPARISON OF SHARE & WAGE ECONOMY RATE OF INFLATION, CONSUMER EXPENDITURE, 1980:2-1983:1

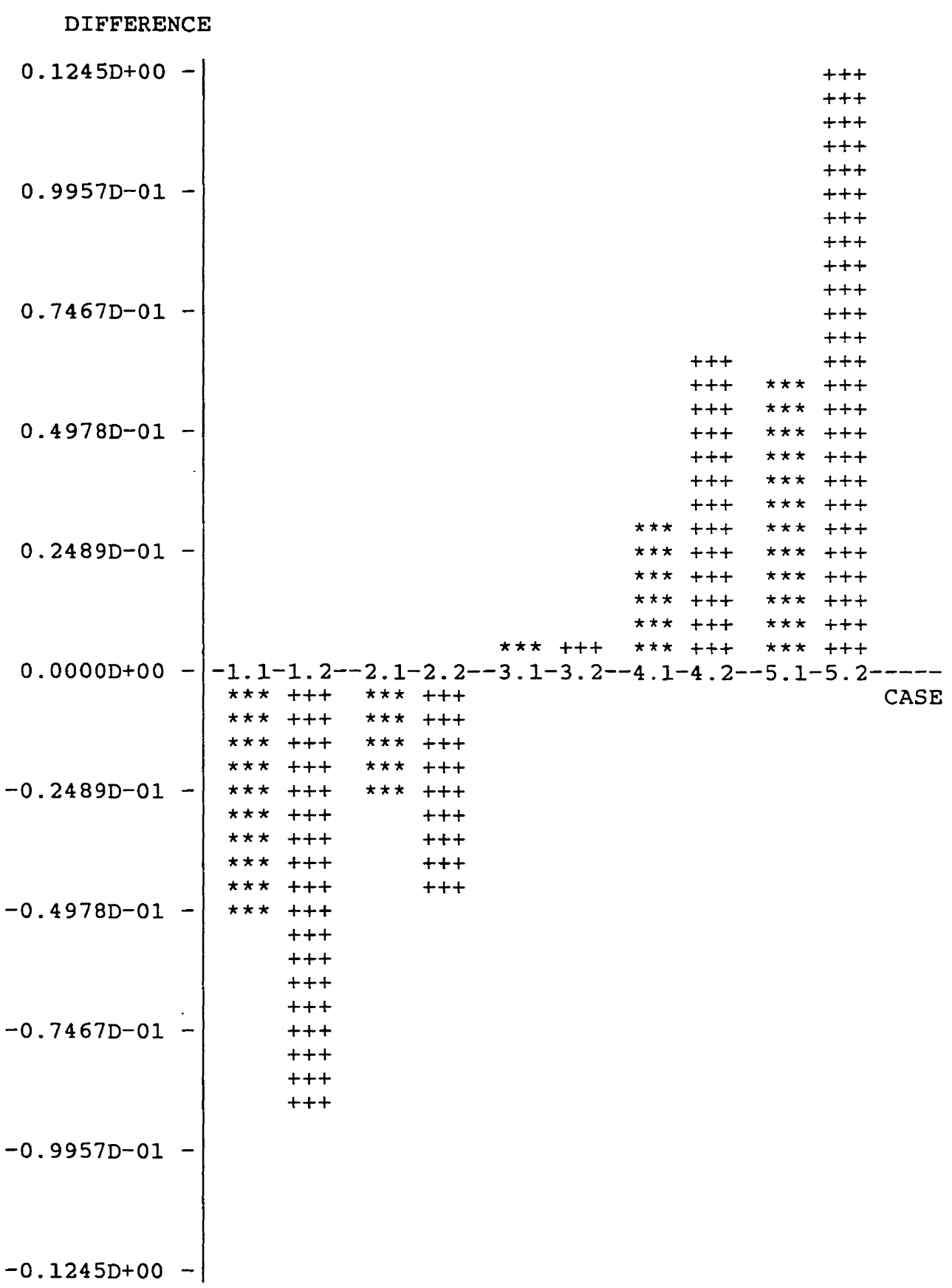


FIGURE 3.6 : COMPARISON OF SHARE & WAGE ECONOMY
LABOUR SHARE, 1980:2-1983:1

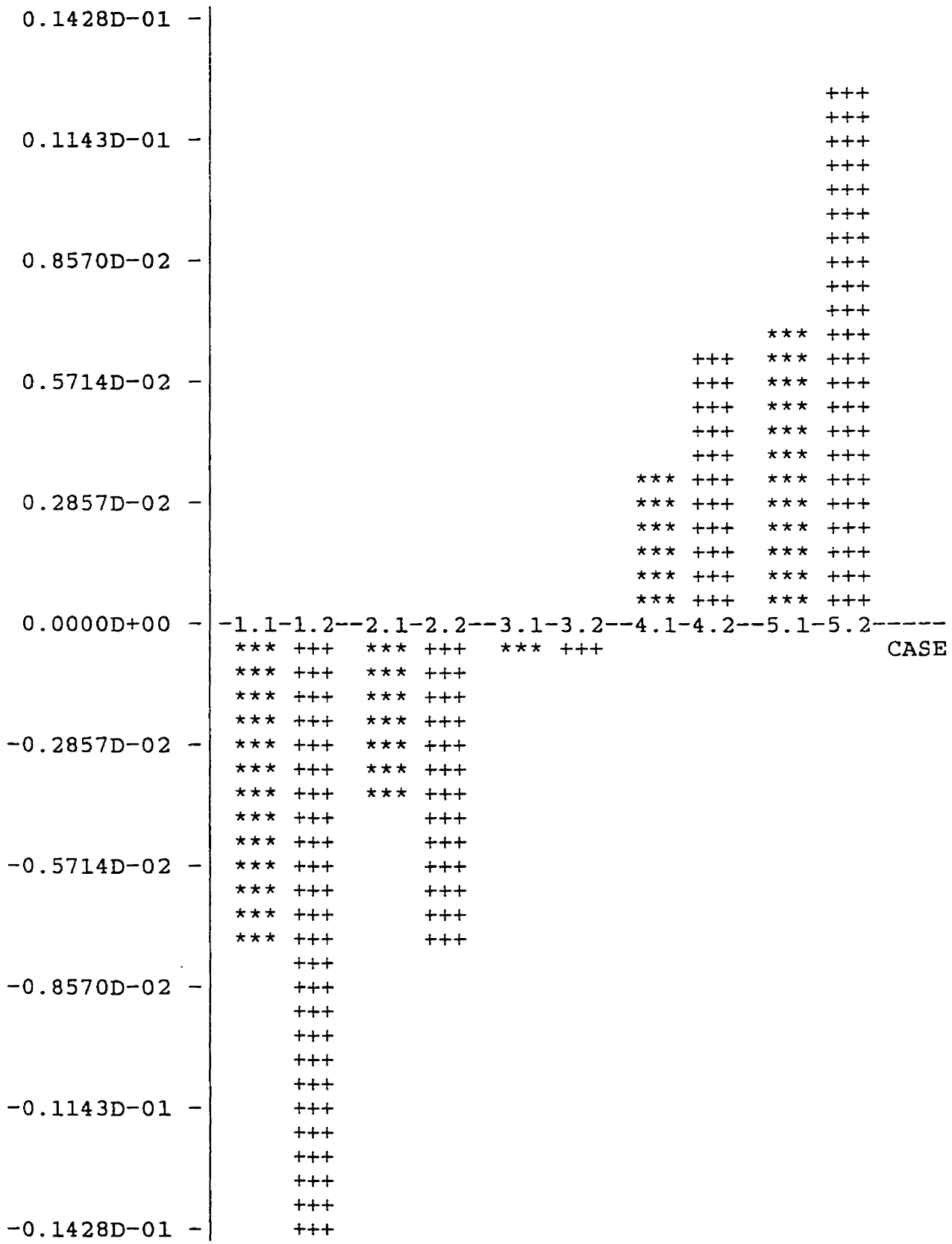


FIGURE 3.7 : COMPARISON OF SHARE & WAGE ECONOMY PERSONAL INCOME TAX IN CURRENT DOLLARS, 1980:2-1983:1

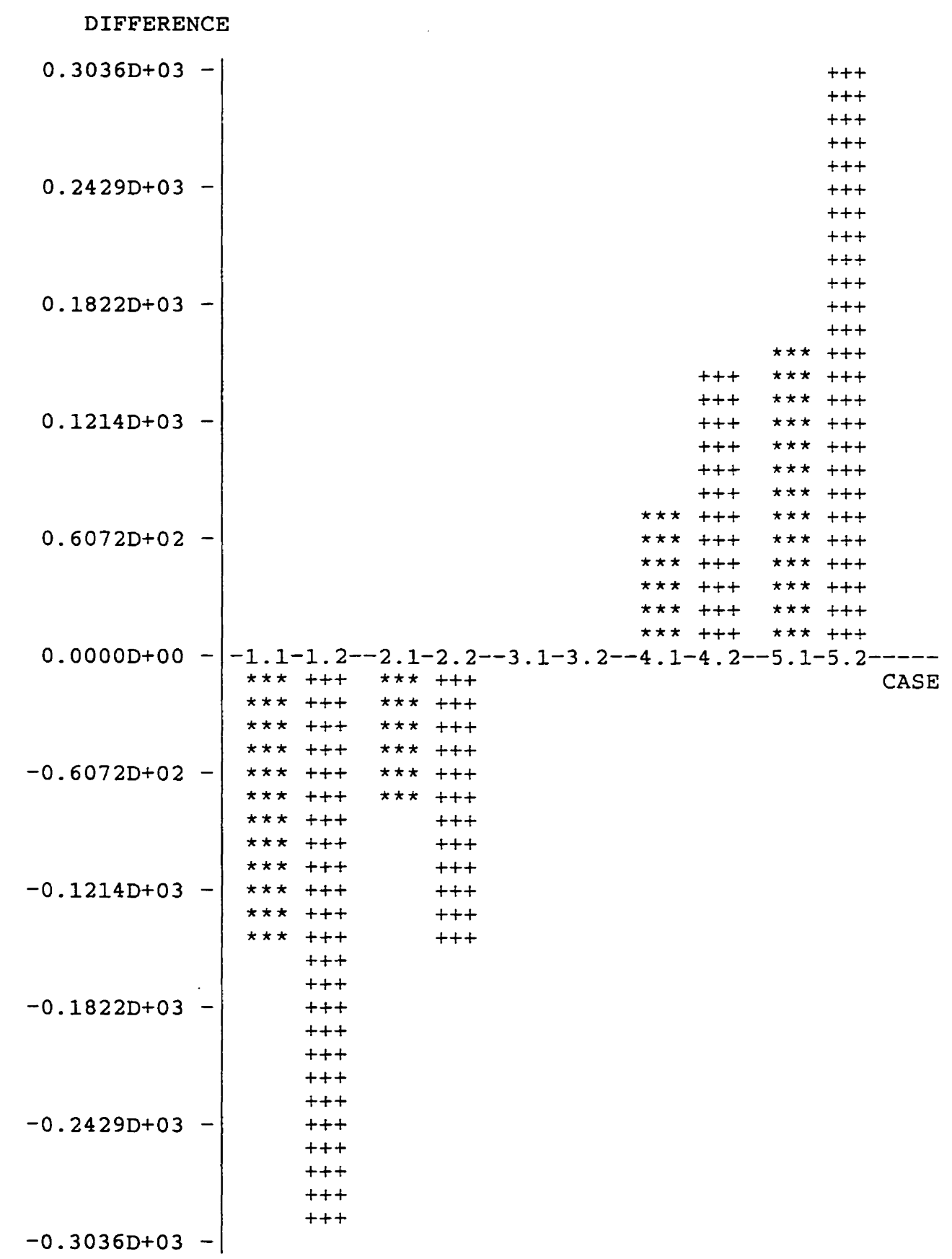


FIGURE 3.8 : COMPARISON OF SHARE & WAGE ECONOMY LABOUR FORCE, 1980:2-1983:1

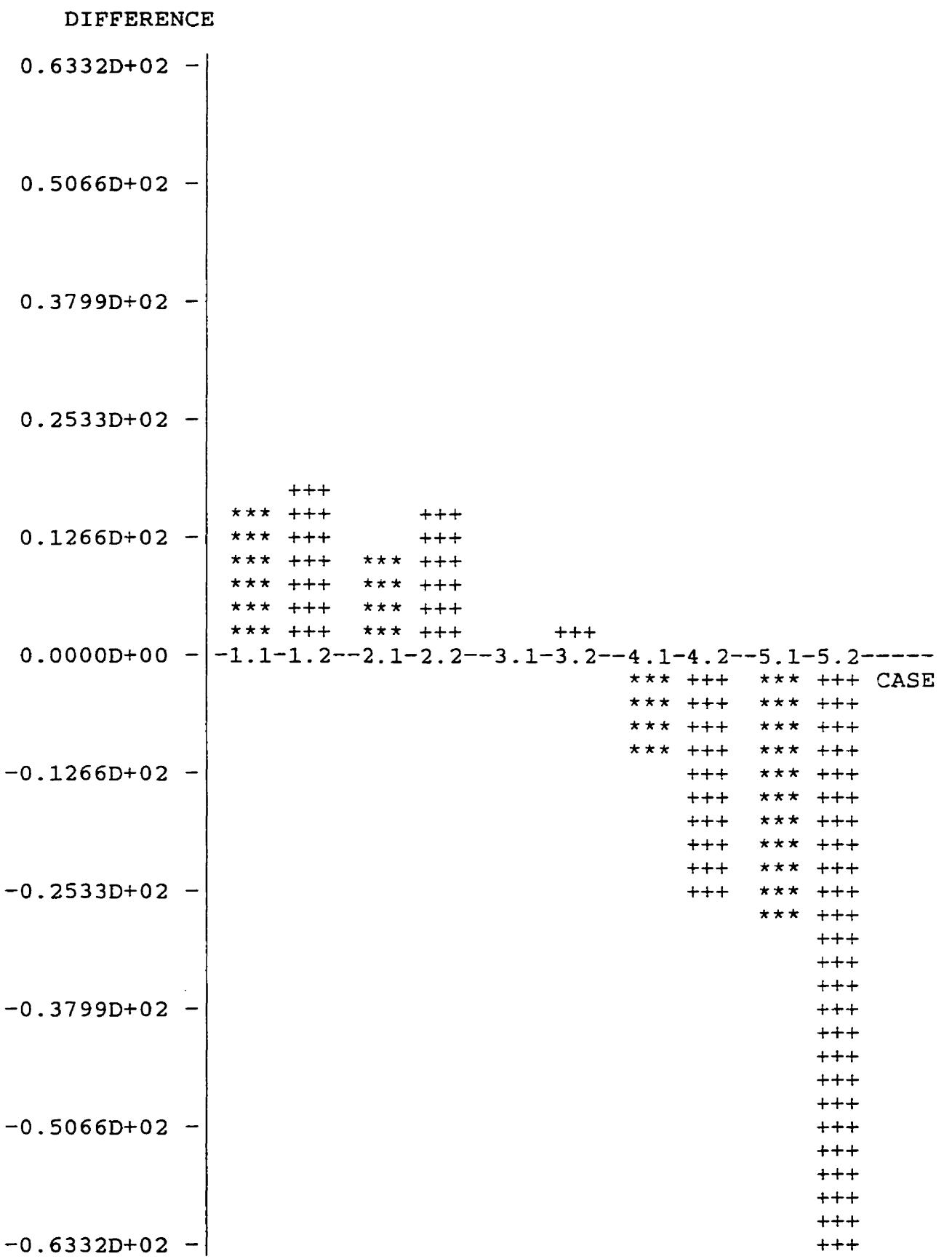


FIGURE 3.9 : COMPARISON OF SHARE & WAGE ECONOMY SPOT EXCHANGE RATE, 1980:2-1983:1

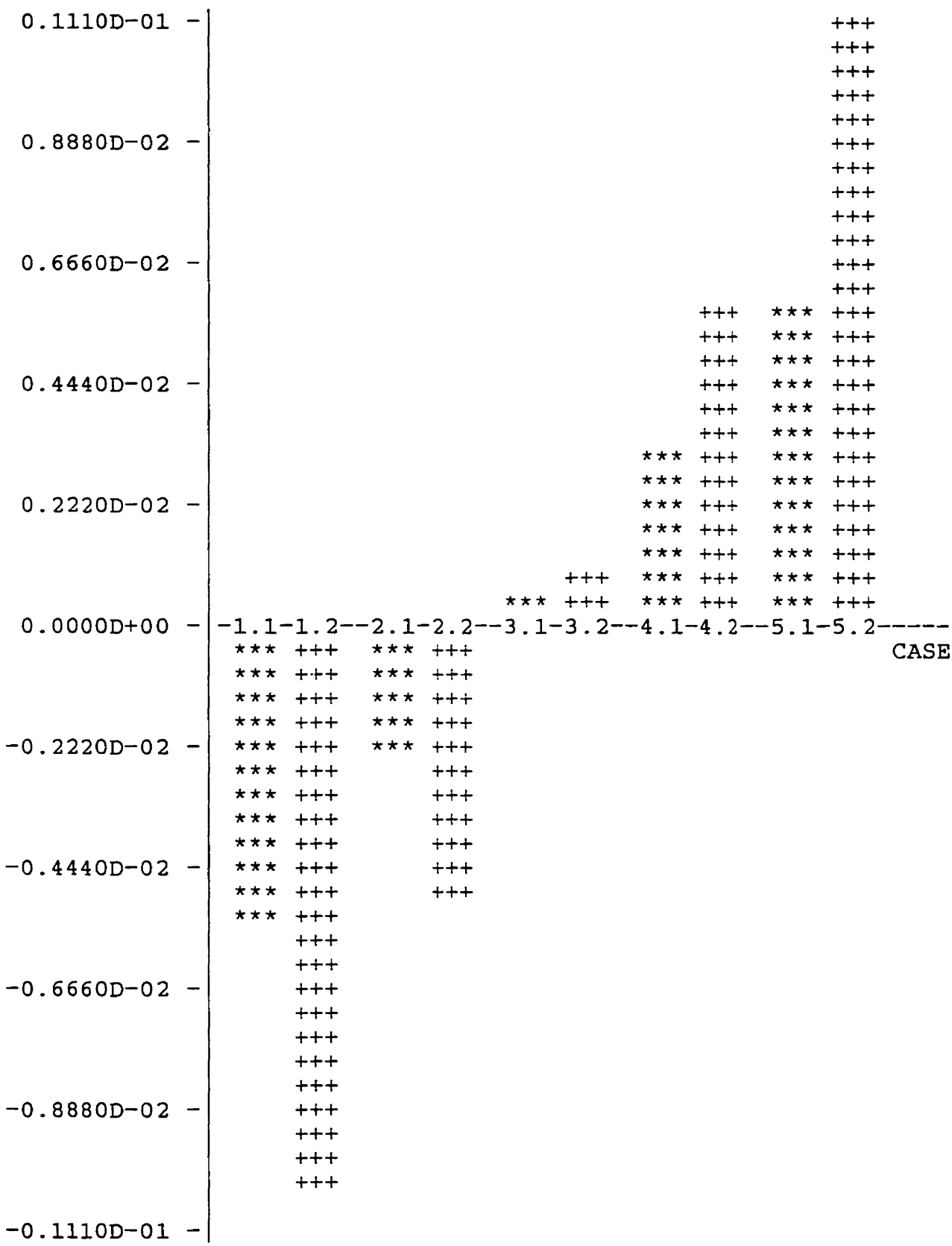


FIGURE 3.10: COMPARISON OF SHARE & WAGE ECONOMY CONSUMER EXPENDITURE, TOTAL, 1980:2-1983:1

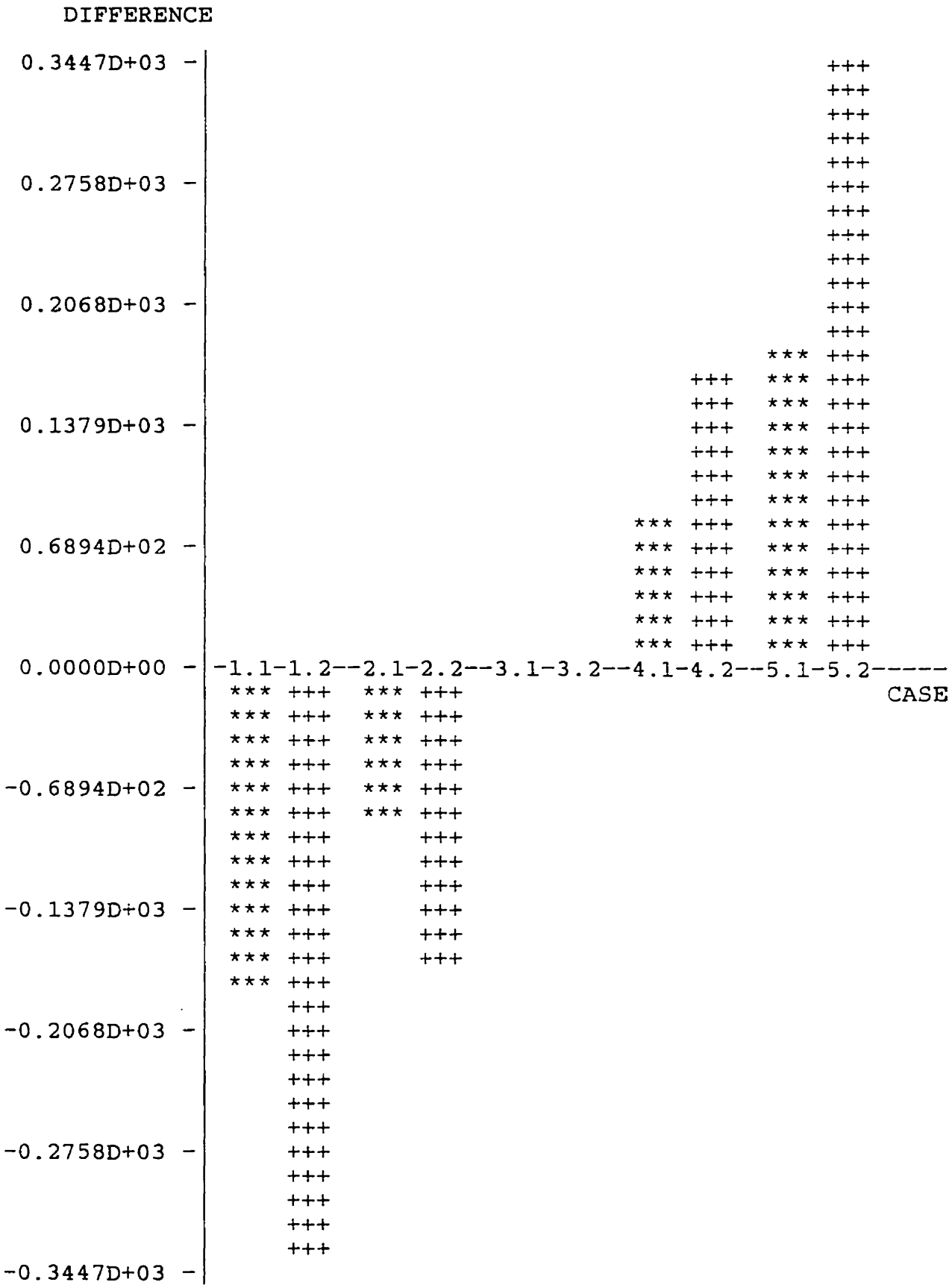


FIGURE 3.11: COMPARISON OF SHARE & WAGE ECONOMY INVESTMENT, TOTAL, 1980:2-1983:1

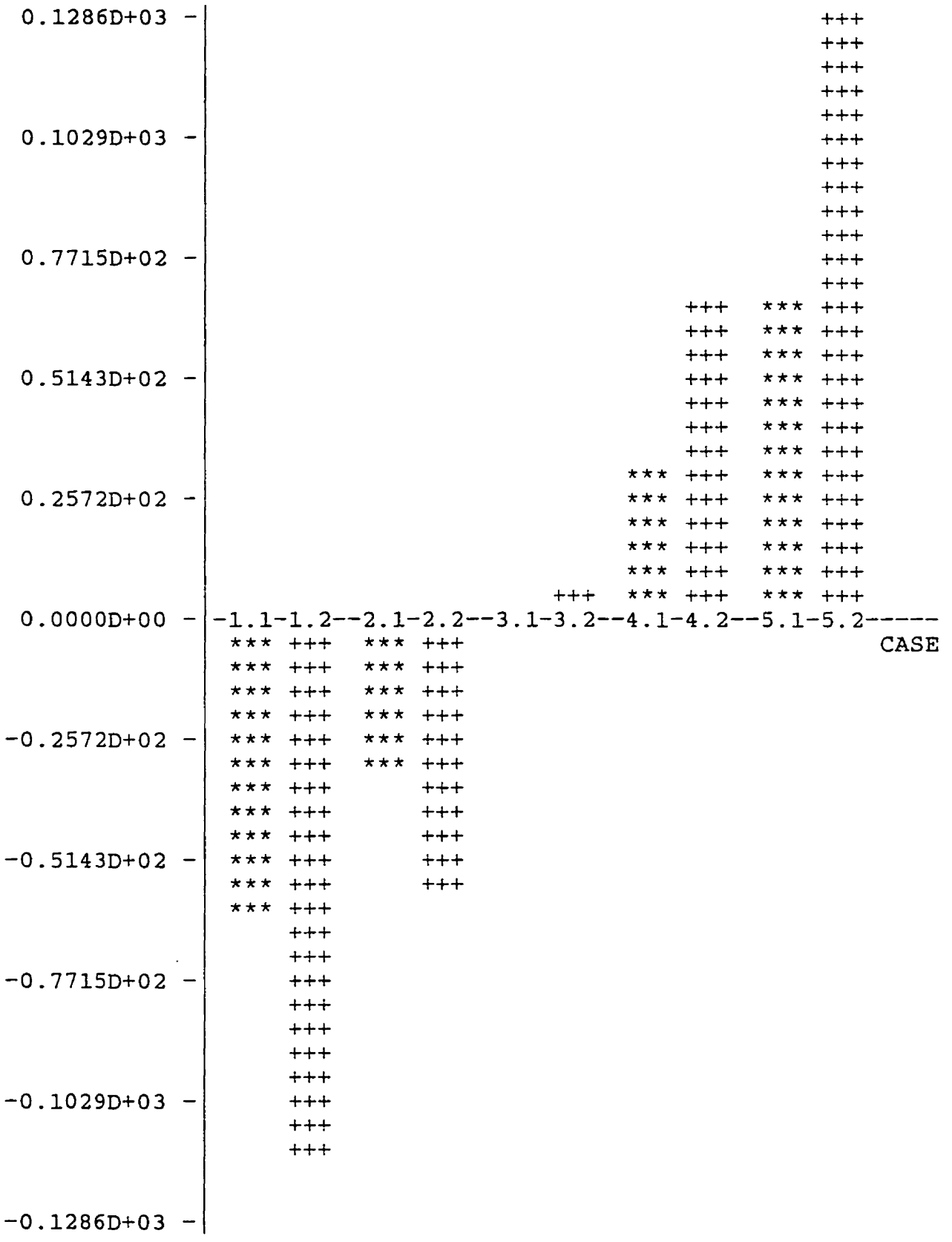


FIGURE A.1 : DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON GNP GAP, 1973:4-1976:3

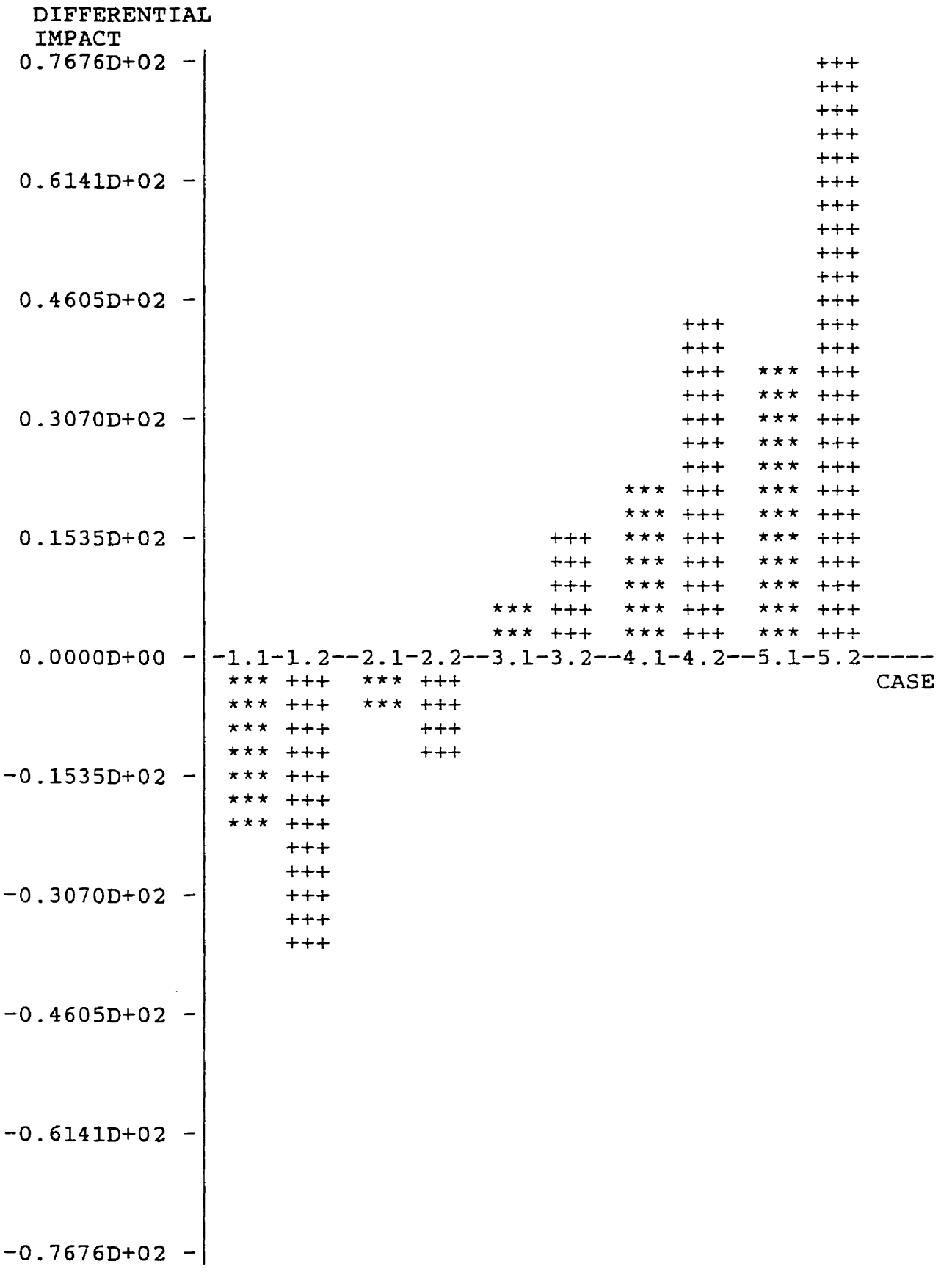


FIGURE A.2 : DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON GNP, 1973:4-1976:3

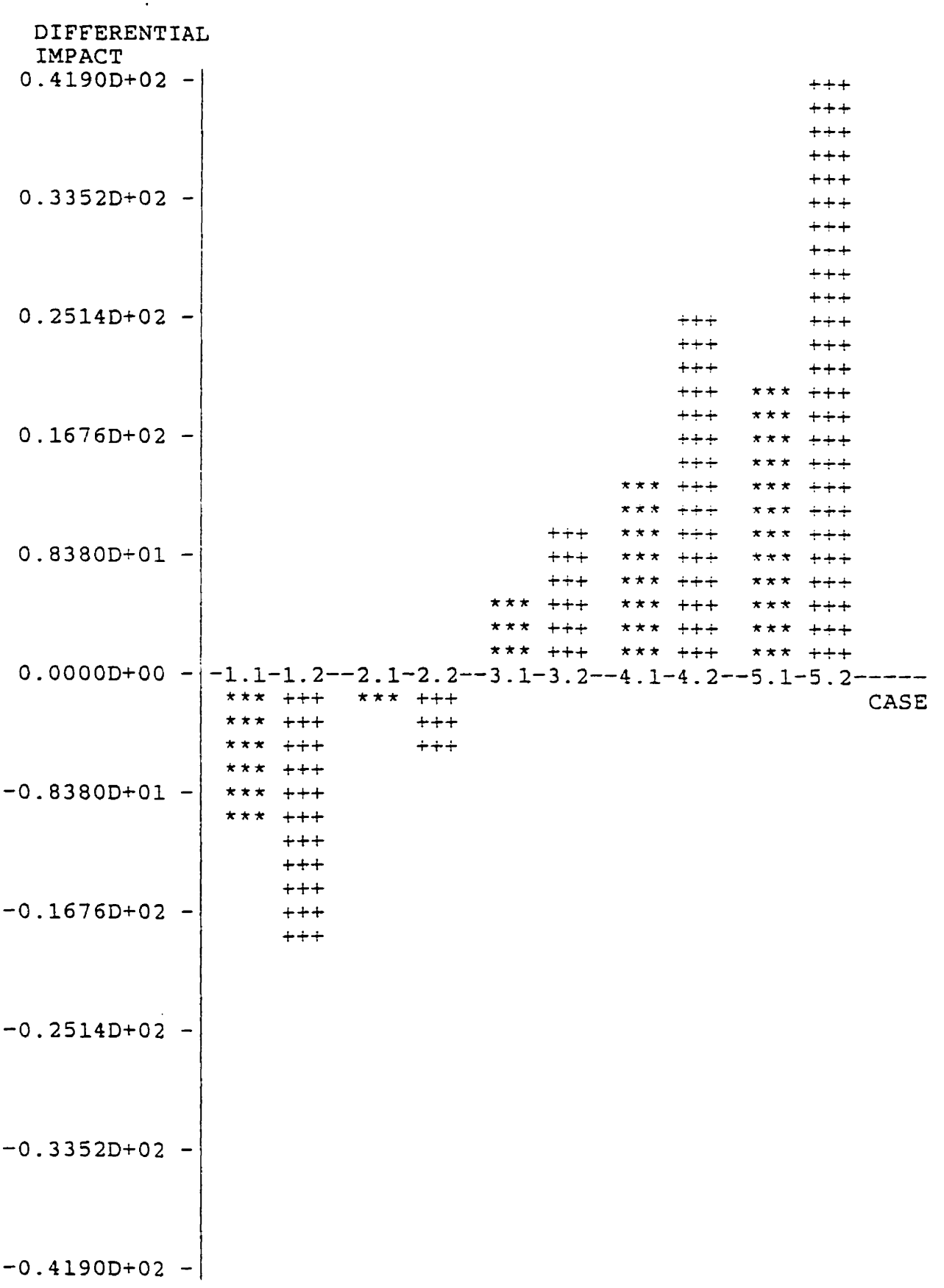


FIGURE A.3 : DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON EMPLOYMENT, 1973:4-1976:3

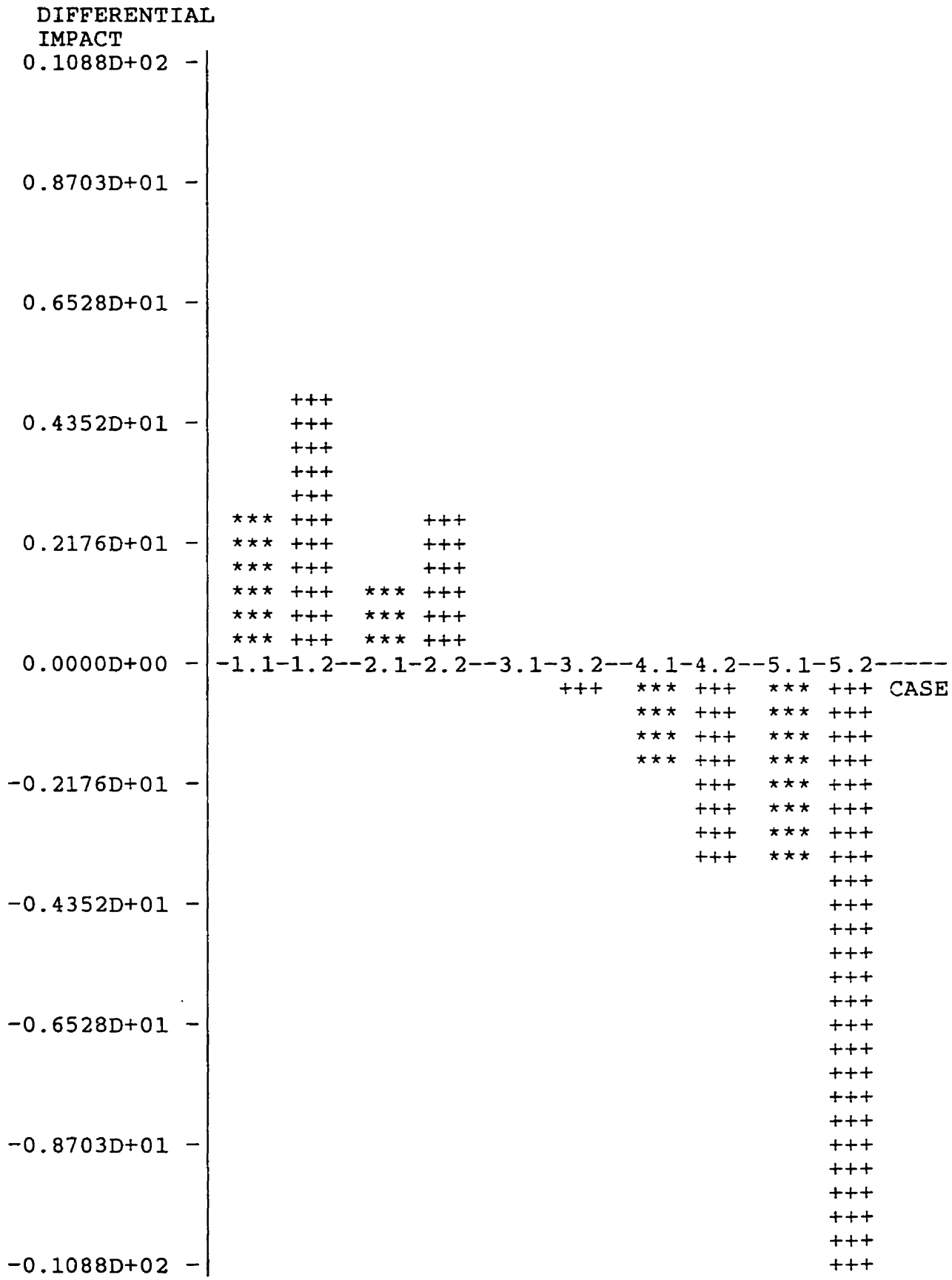


FIGURE A.4 : DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON RATE OF INFLATION, GNP, 1973:4-1976:3

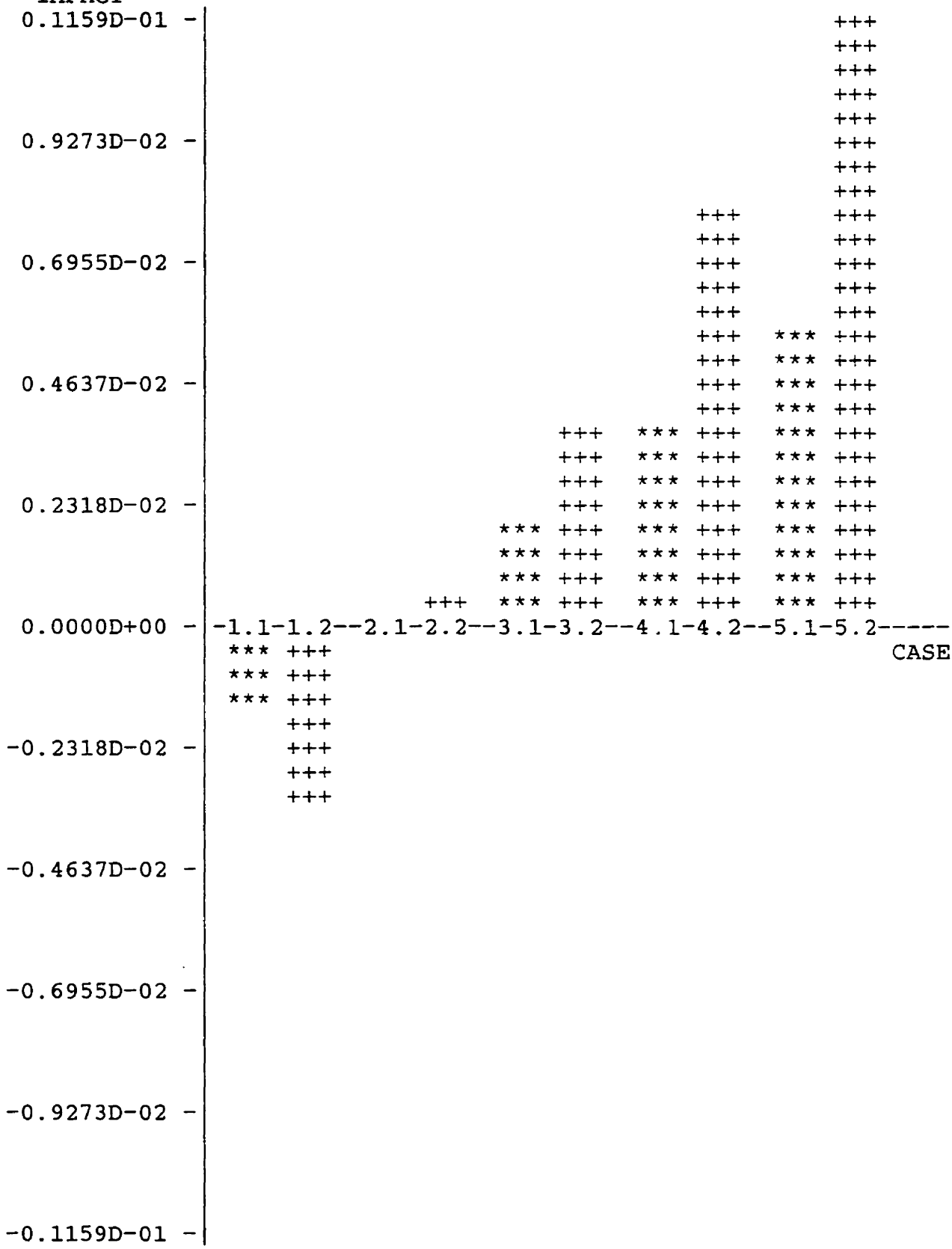


FIGURE A.5 : DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON RATE OF INFLATION, CONSUMER EXPENDITURE, 1973:4-1976:3

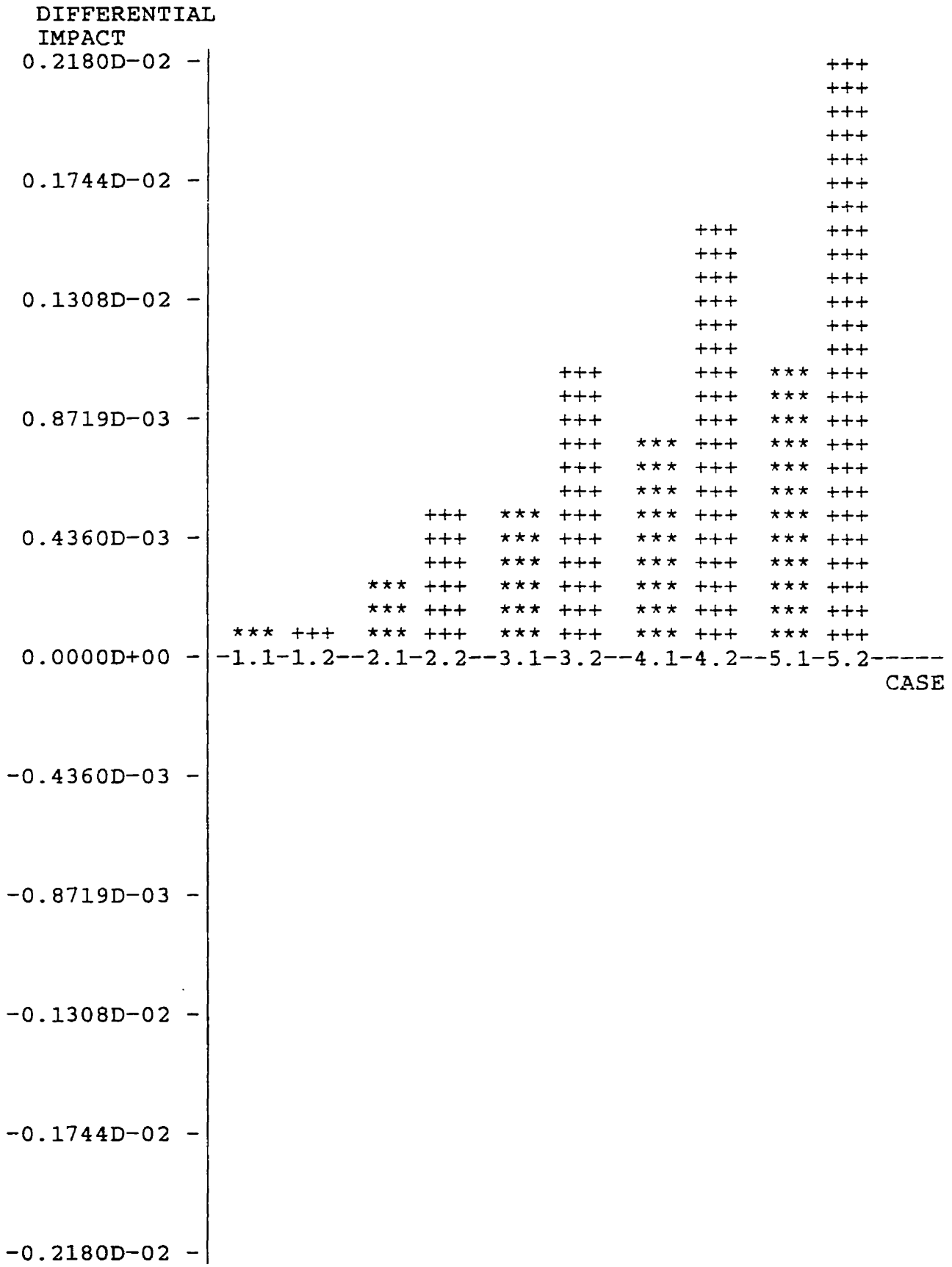


FIGURE A.6 : DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON LABOUR SHARE, 1973:4-1976:3

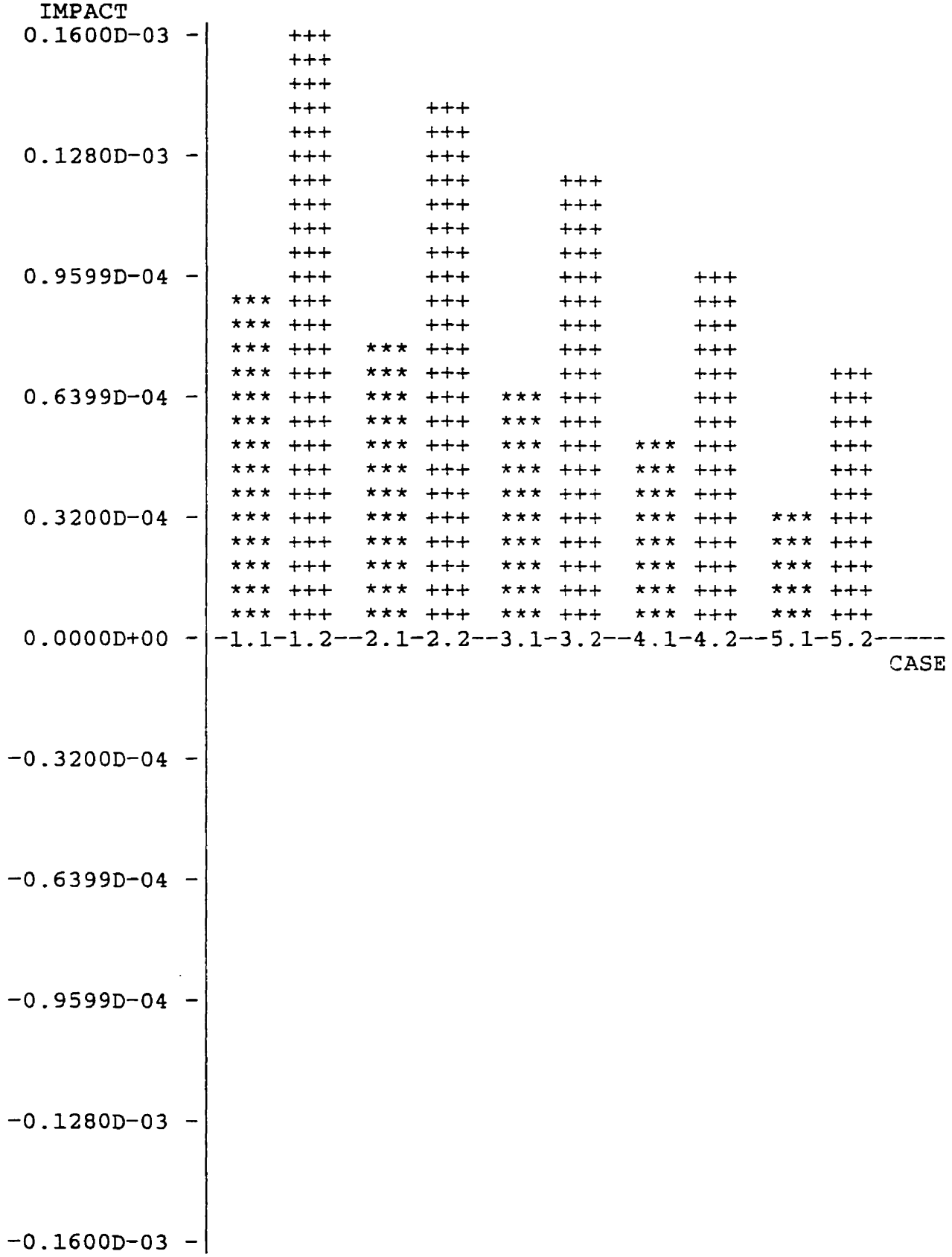


FIGURE A.7 : DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON PERSONAL INCOME TAX IN CURRENT DOLLARS, 1973:4-1976:3

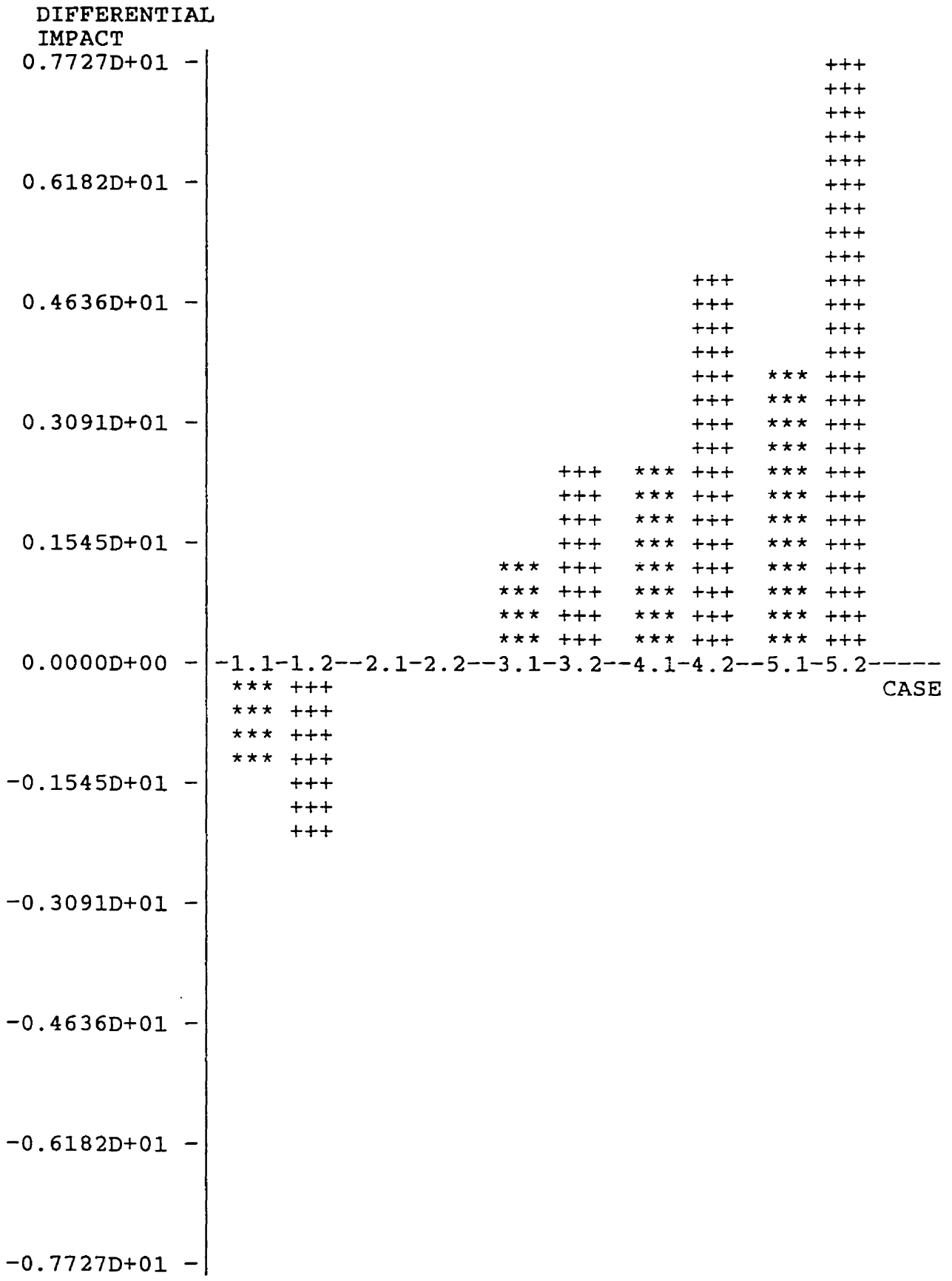


FIGURE A.8 : DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON LABOUR FORCE, 1973:4-1976:3

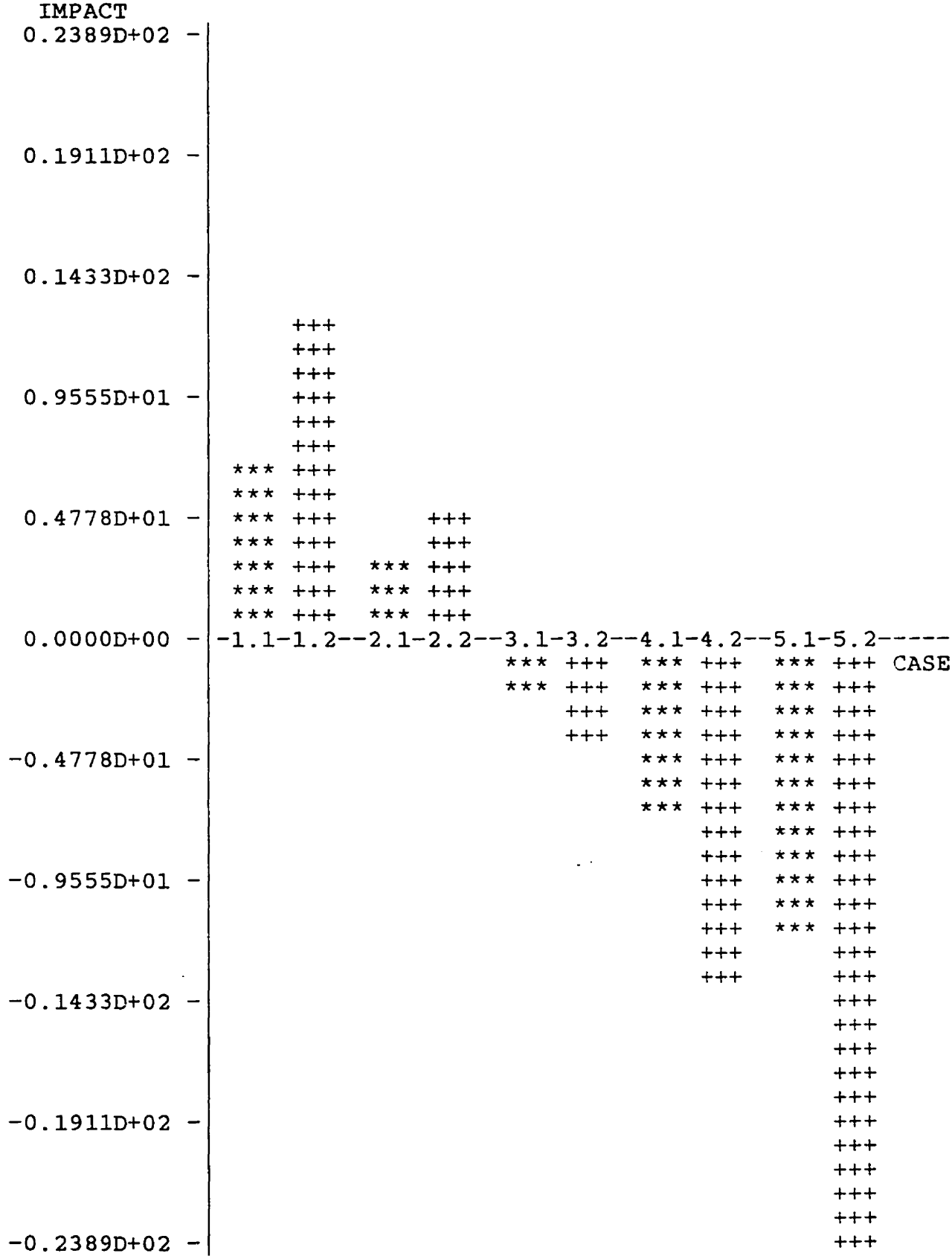


FIGURE A.9 : DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON SPOT EXCHANGE RATE, 1973:4-1976:3

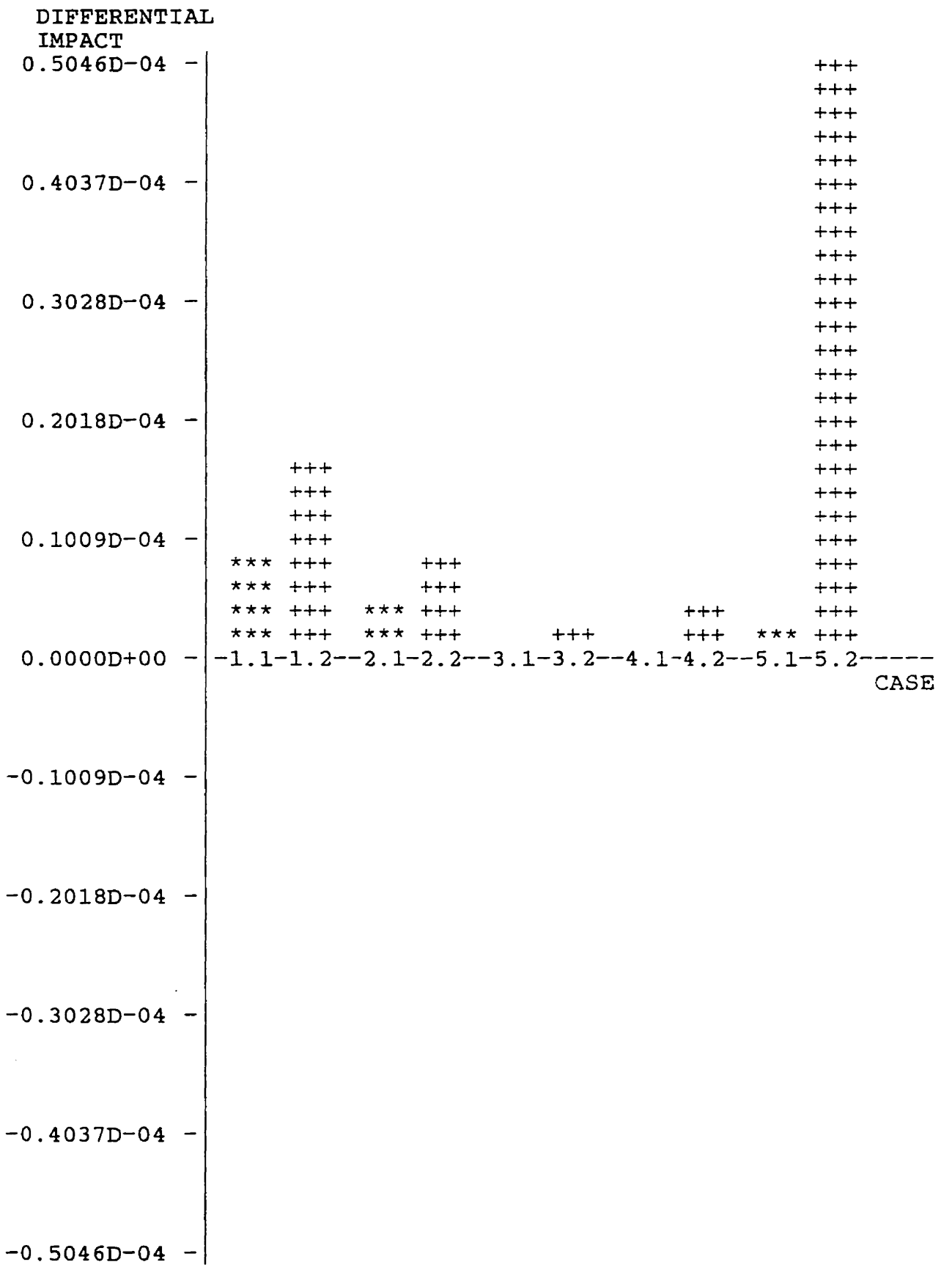


FIGURE A.10: DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON CONSUMER EXPENDITURE, TOTAL, 1973:4-1976:3

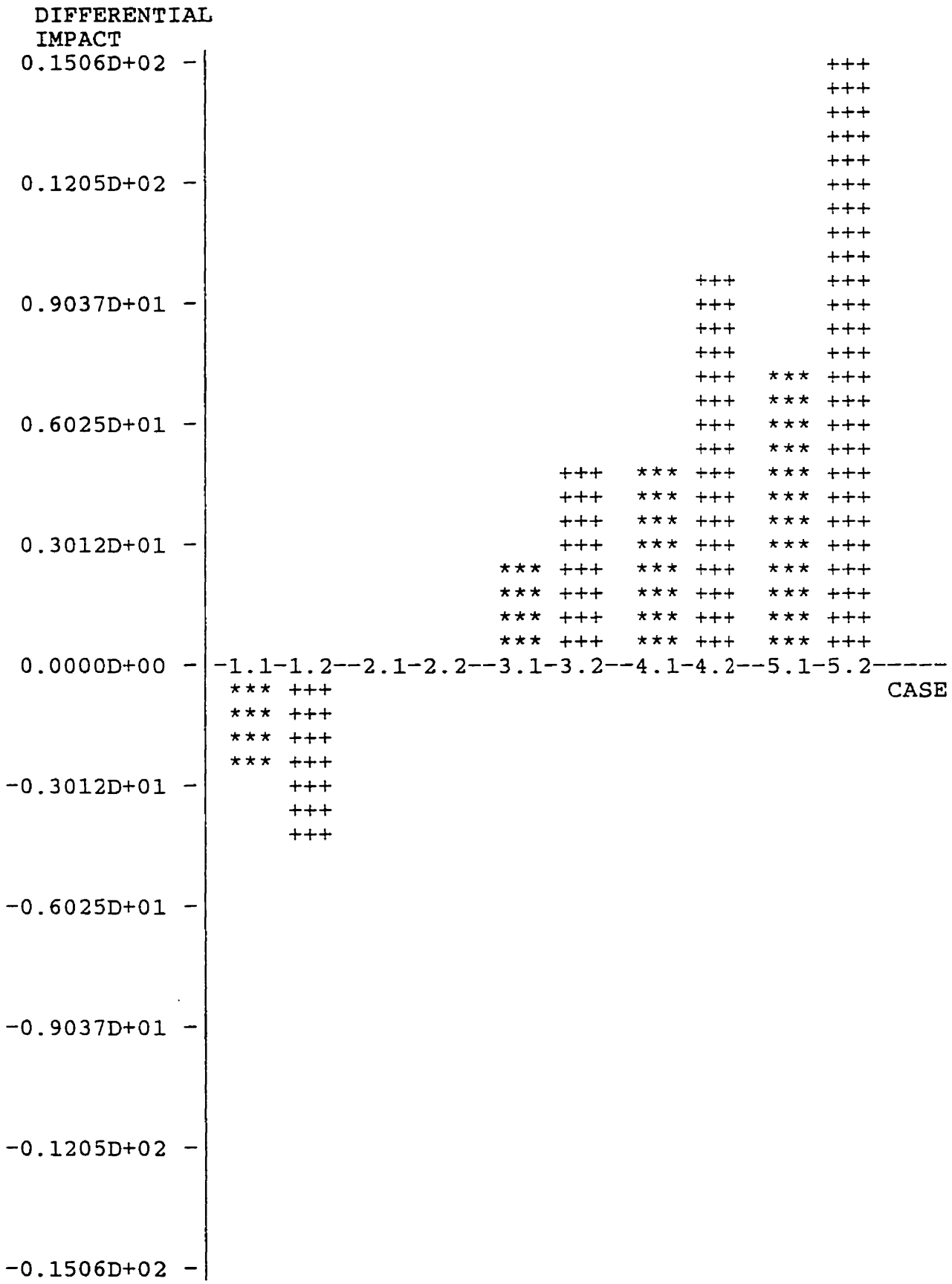


FIGURE A.11: DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON INVESTMENT, TOTAL, 1973:4-1976:3

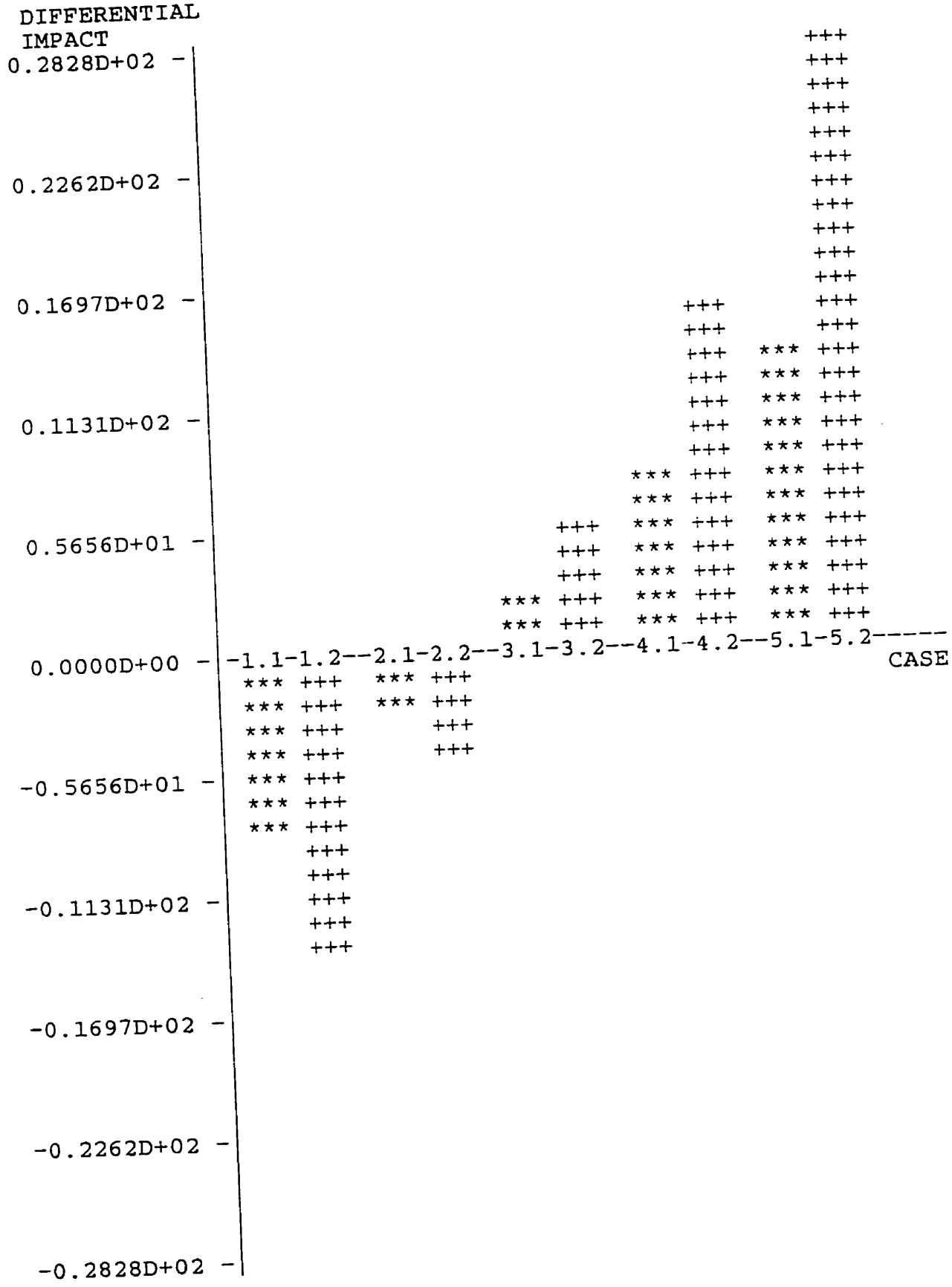


FIGURE B.1 : DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON GNP GAP, 1977:1-1979:4

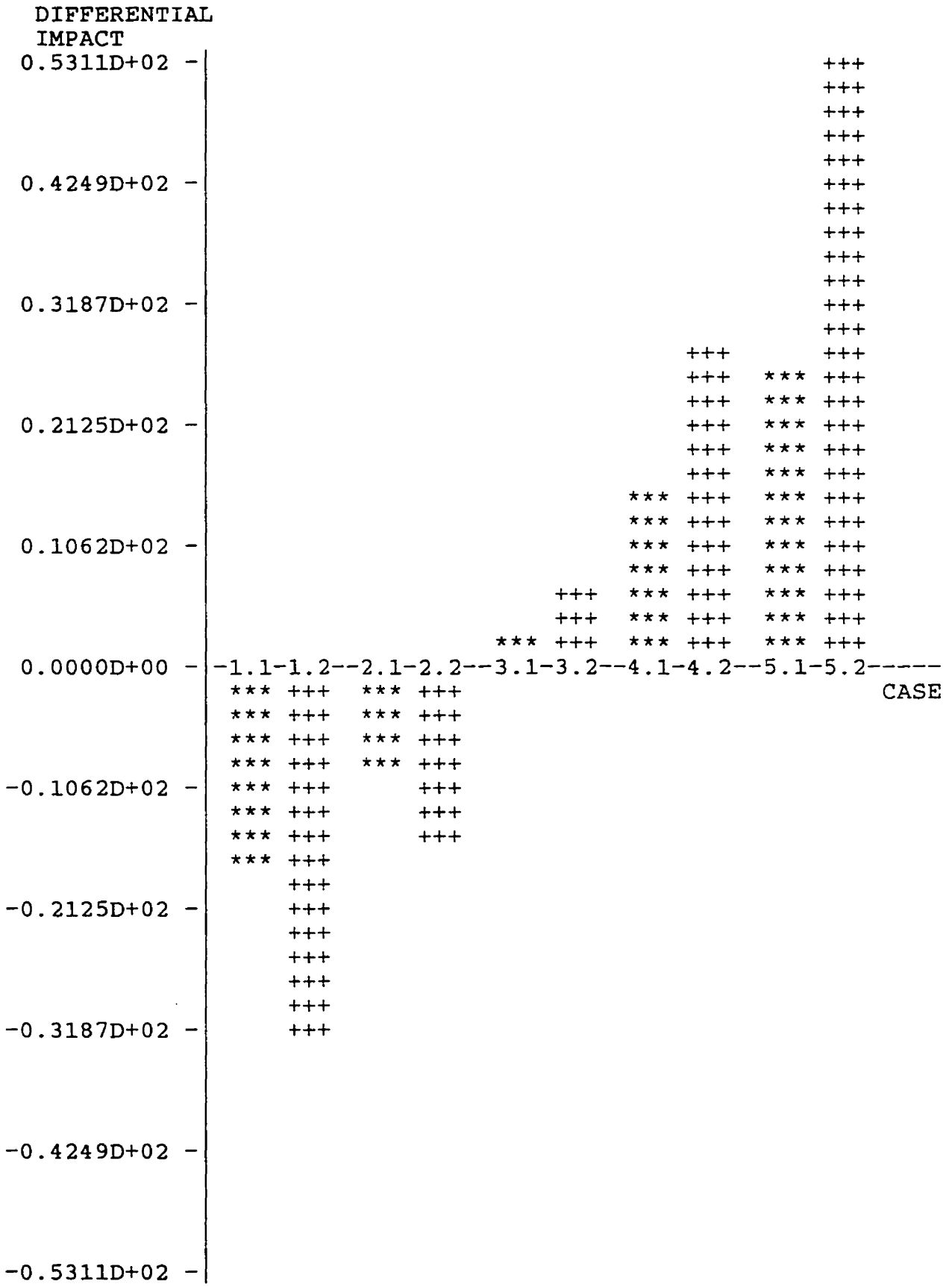


FIGURE B.2 : DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON GNP, 1977:1-1979:4

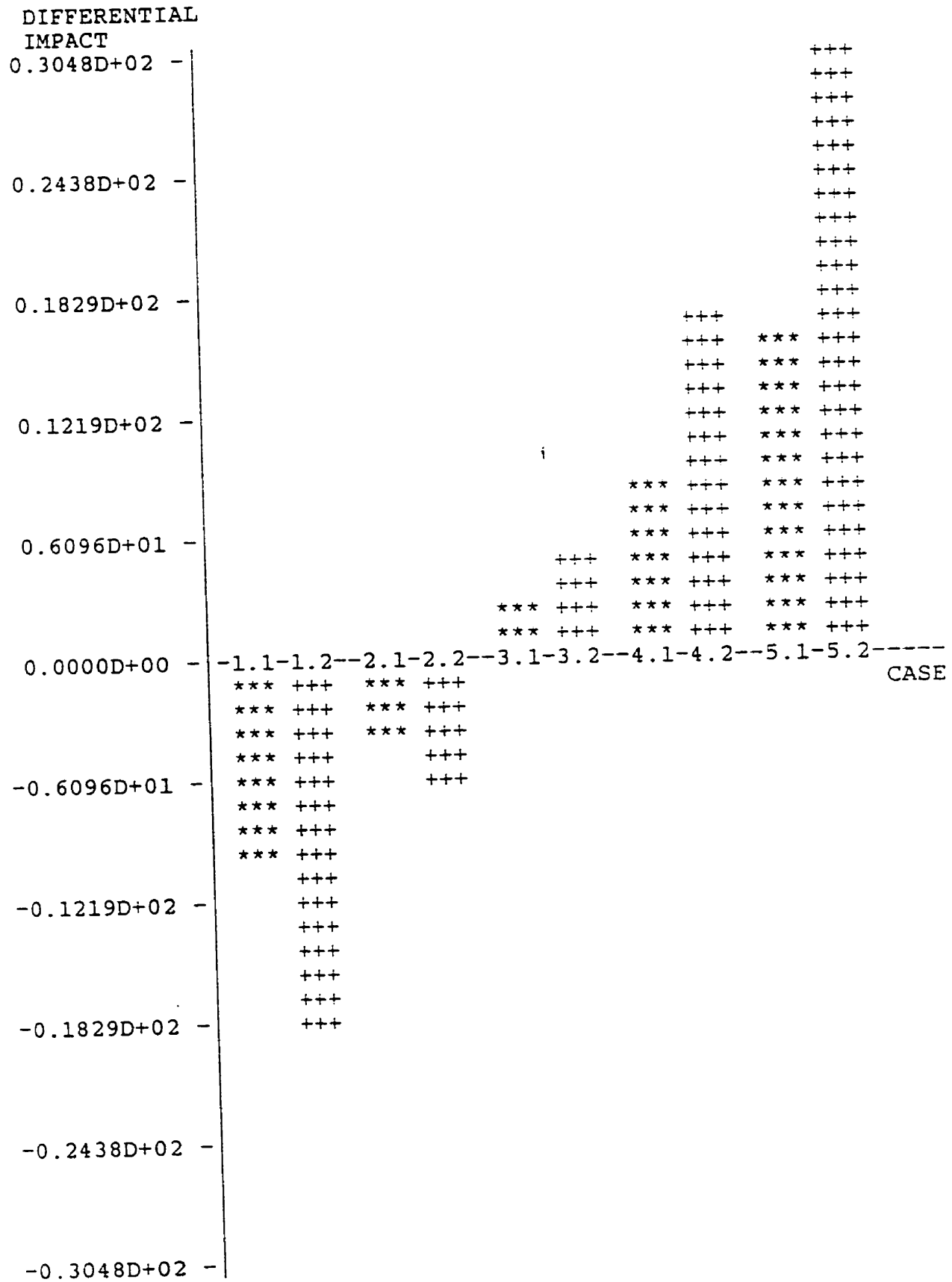


FIGURE B.3 : DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON EMPLOYMENT, 1977:1-1979:4

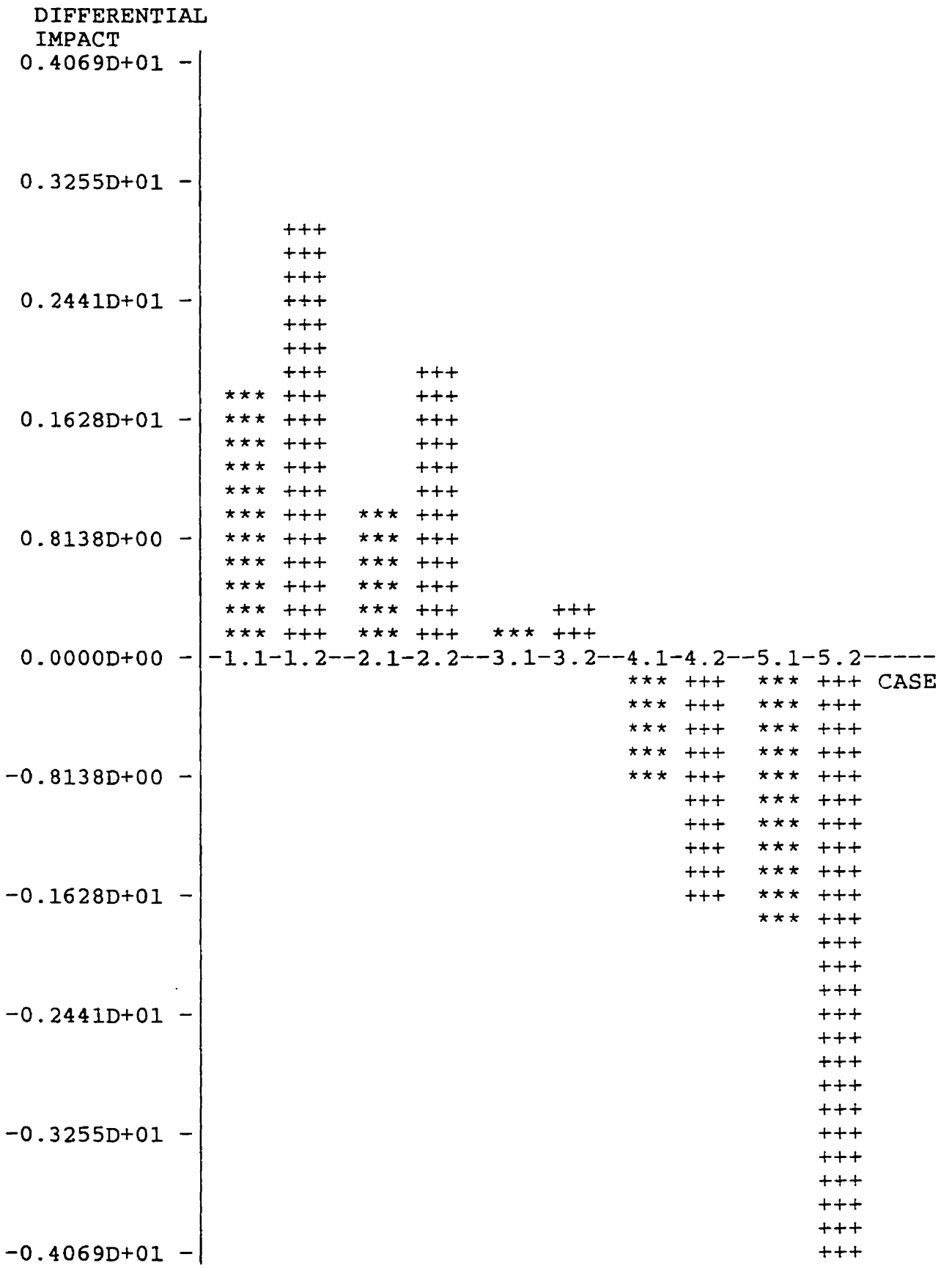


FIGURE B.4 : DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON RATE OF INFLATION, GNP, 1977:1-1979:4

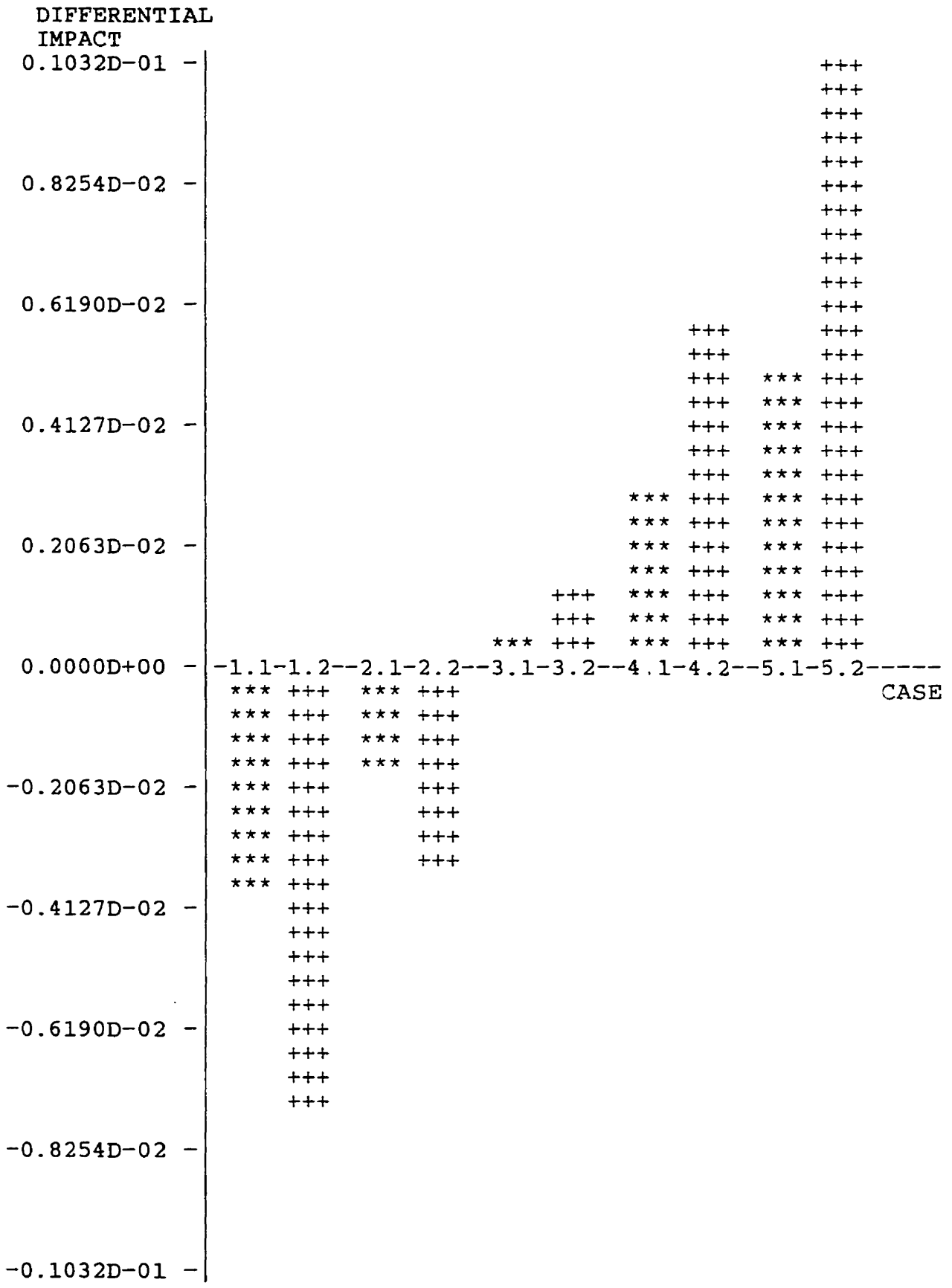


FIGURE B.5 : DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON RATE OF INFLATION, CONSUMER EXPENDITURE, 1977:1-1979:4

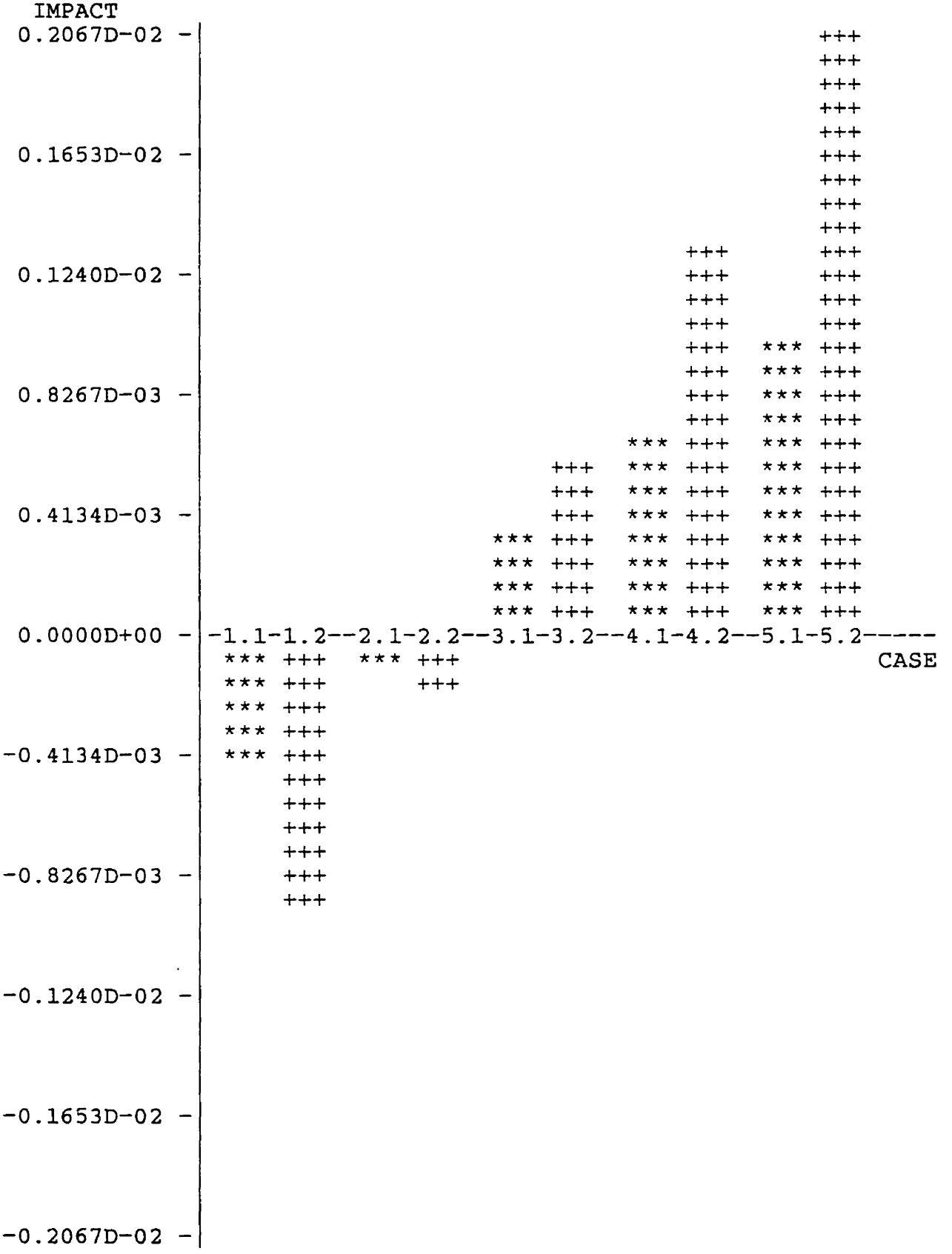


FIGURE B.6 : DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON LABOUR SHARE, 1977:1-1979:4

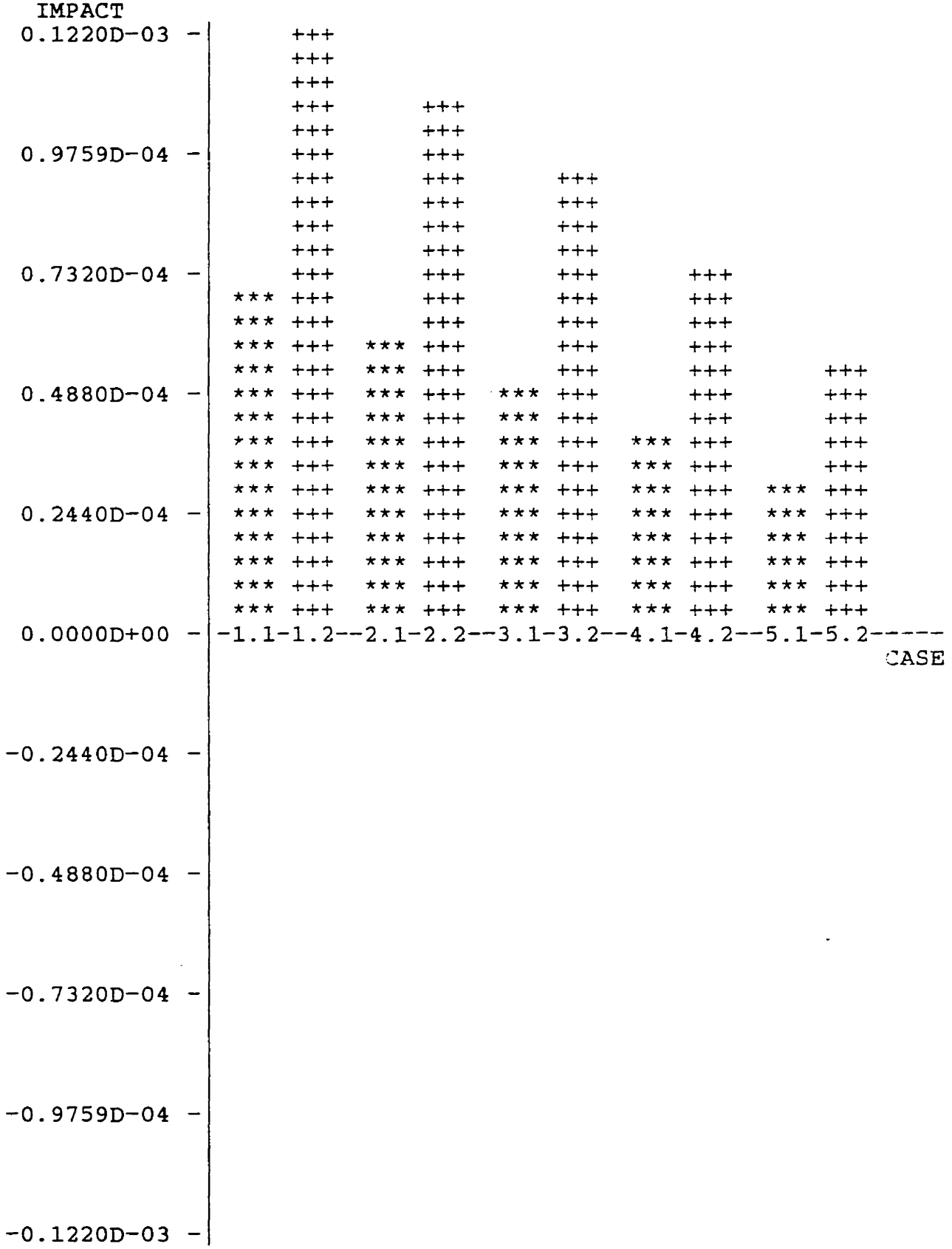


FIGURE B.7 : DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON PERSONAL INCOME TAX IN CURRENT DOLLARS, 1977:1-1979:4

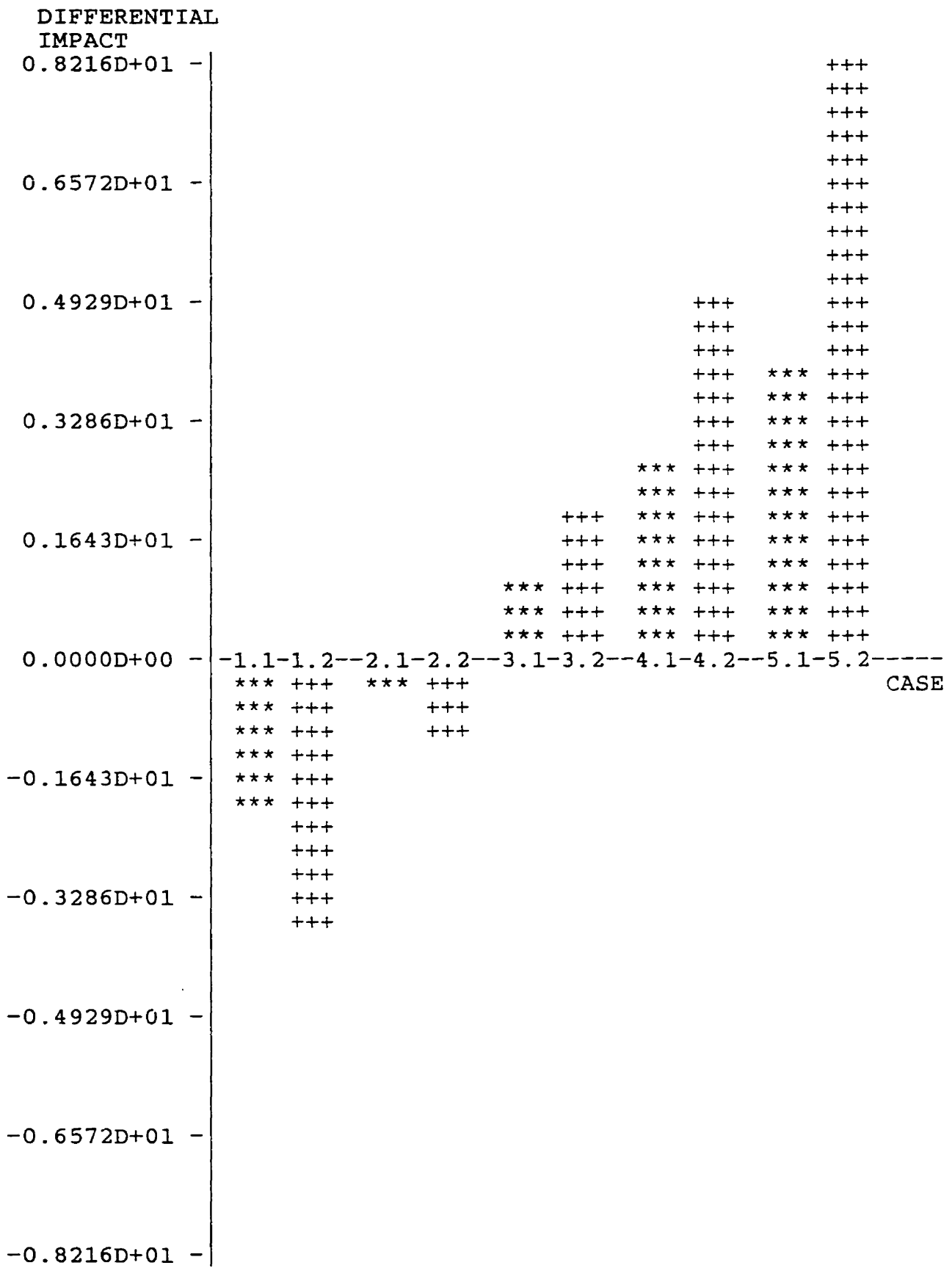


FIGURE B.8 : DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON LABOUR FORCE, 1977:1-1979:4

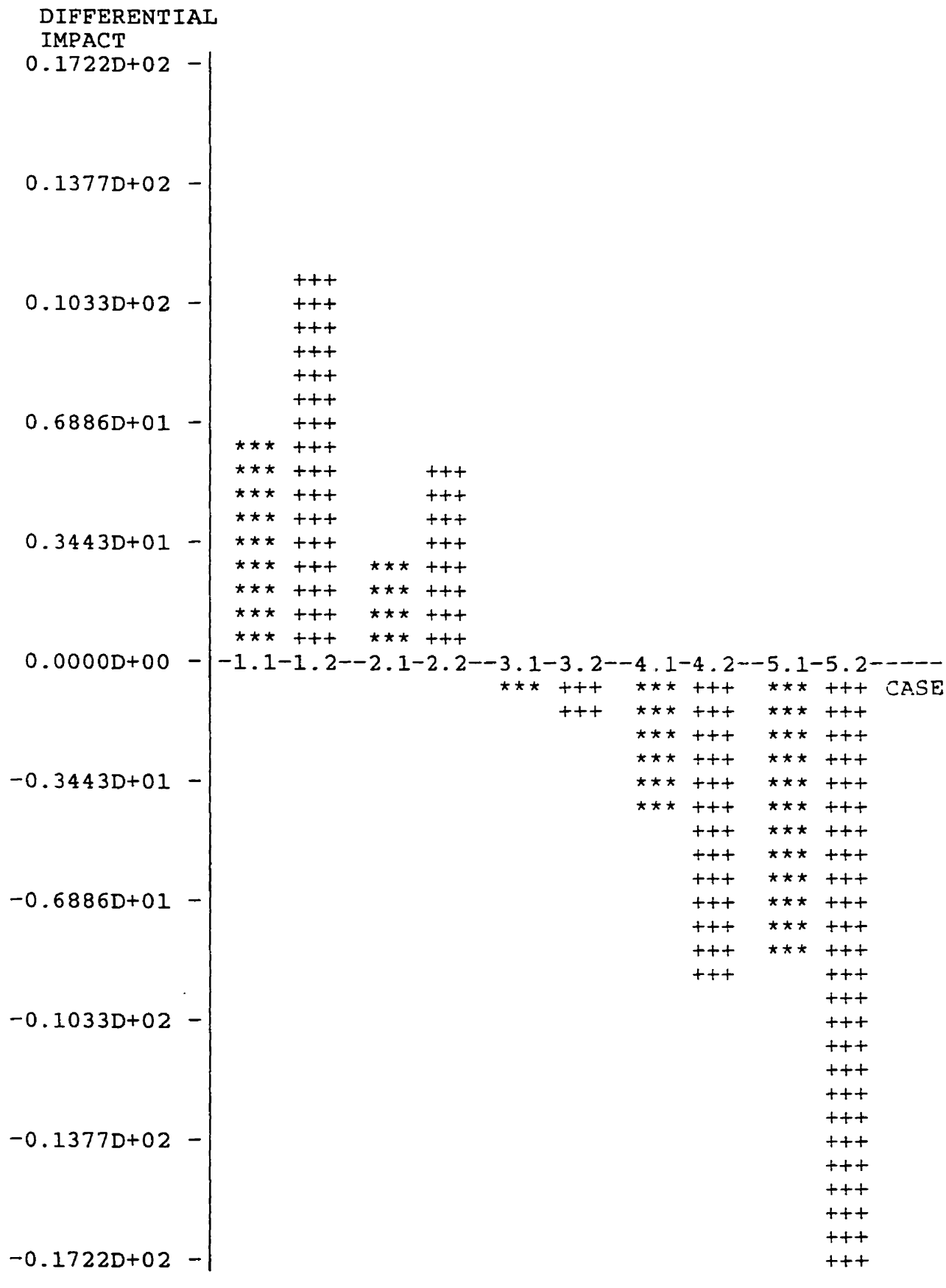


FIGURE B.9 : DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON SPOT EXCHANGE RATE, 1977:1-1979:4

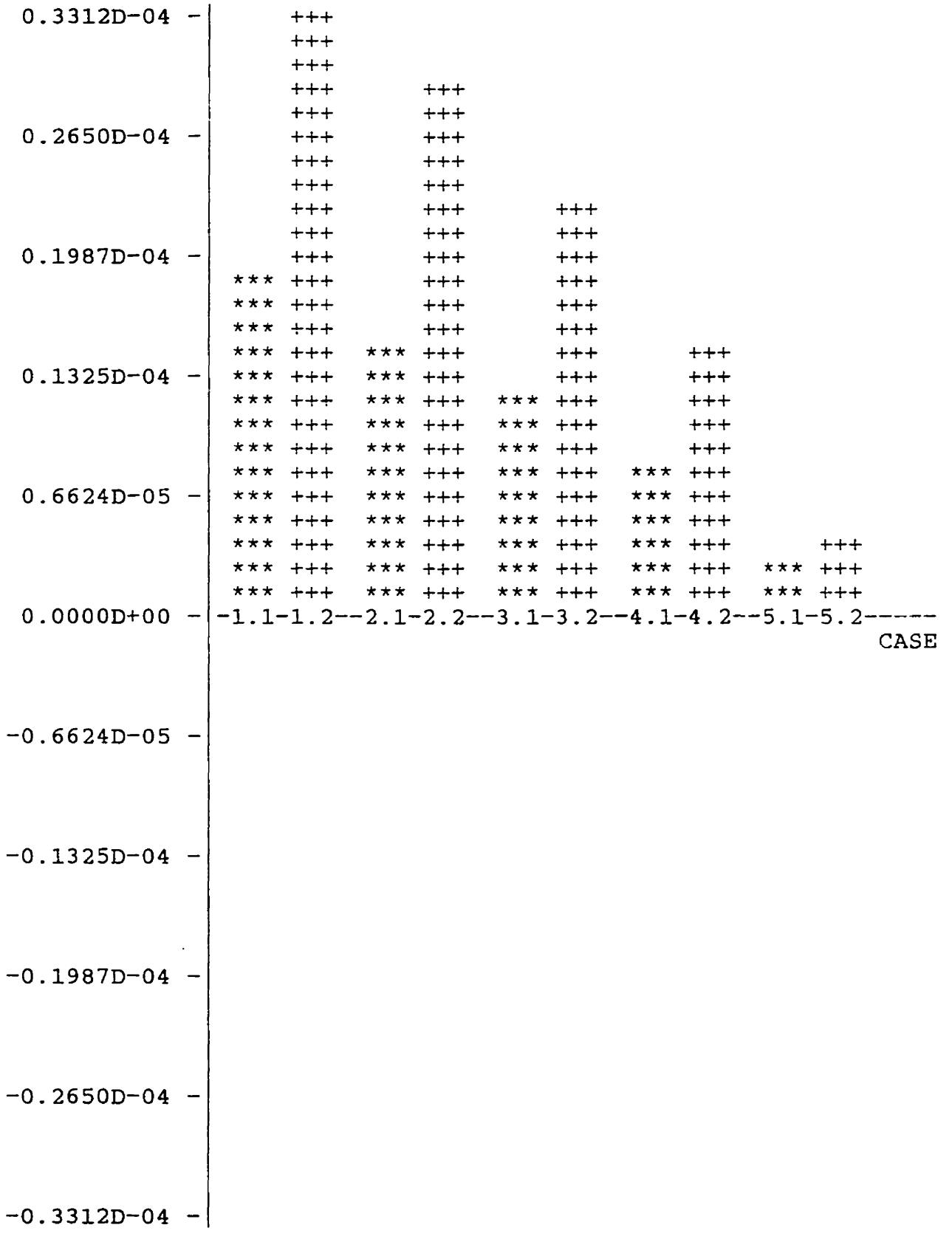


FIGURE B.10: DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON CONSUMER EXPENDITURE, TOTAL, 1977:1-1979:4

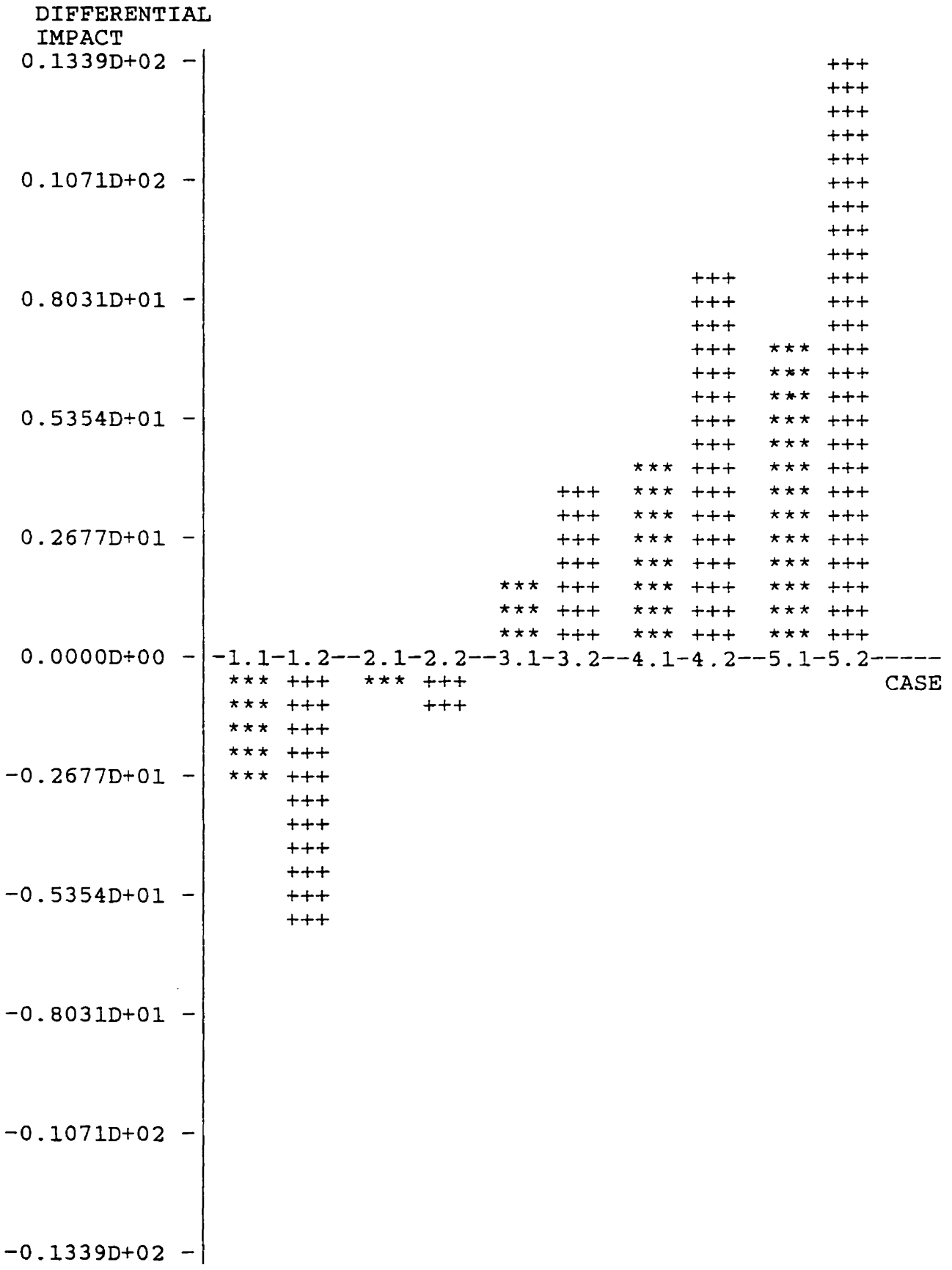


FIGURE B.11: DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON INVESTMENT, TOTAL, 1977:1-1979:4

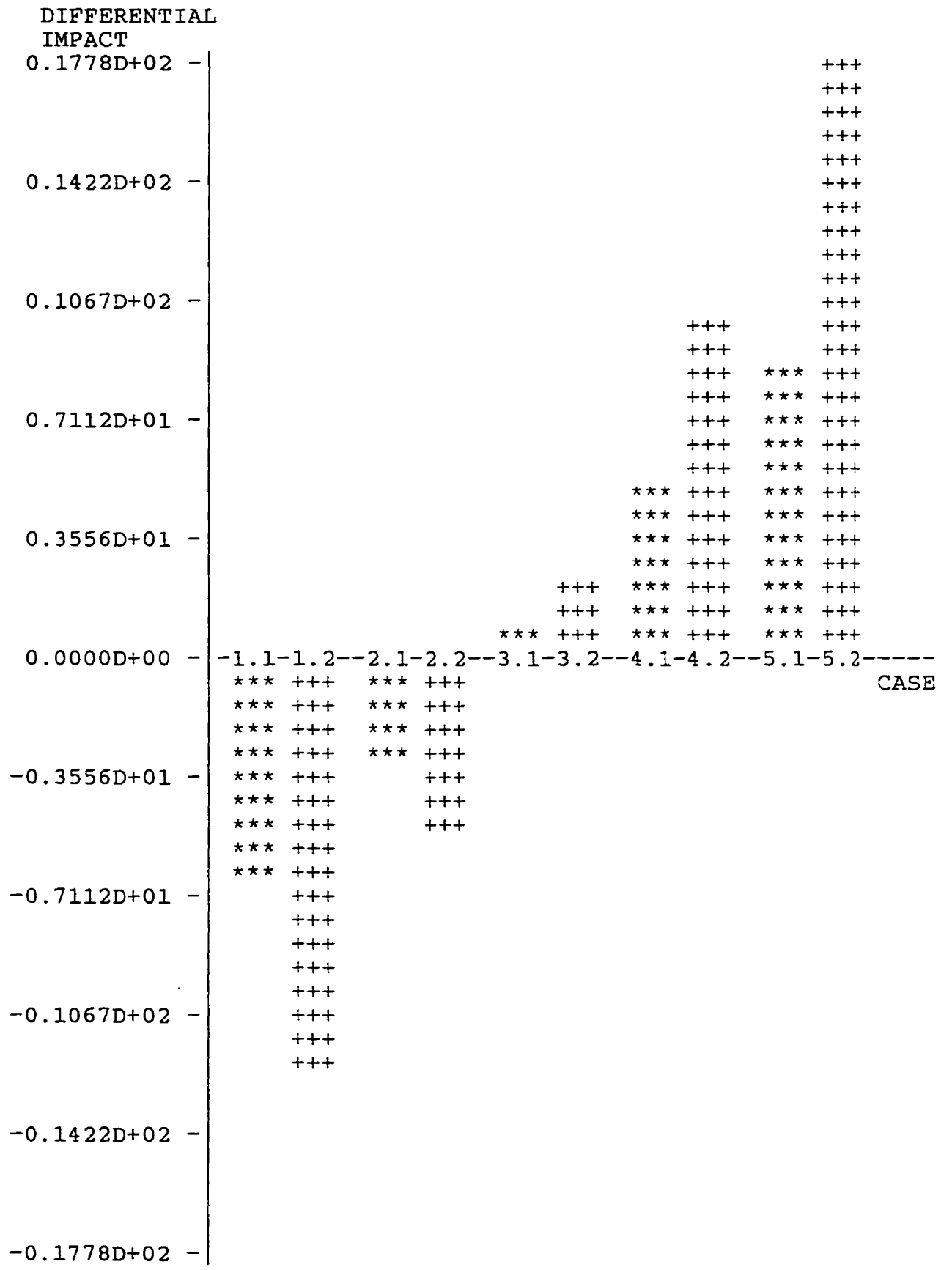


FIGURE C.1 : DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON GNP GAP, 1980:2-1983:1

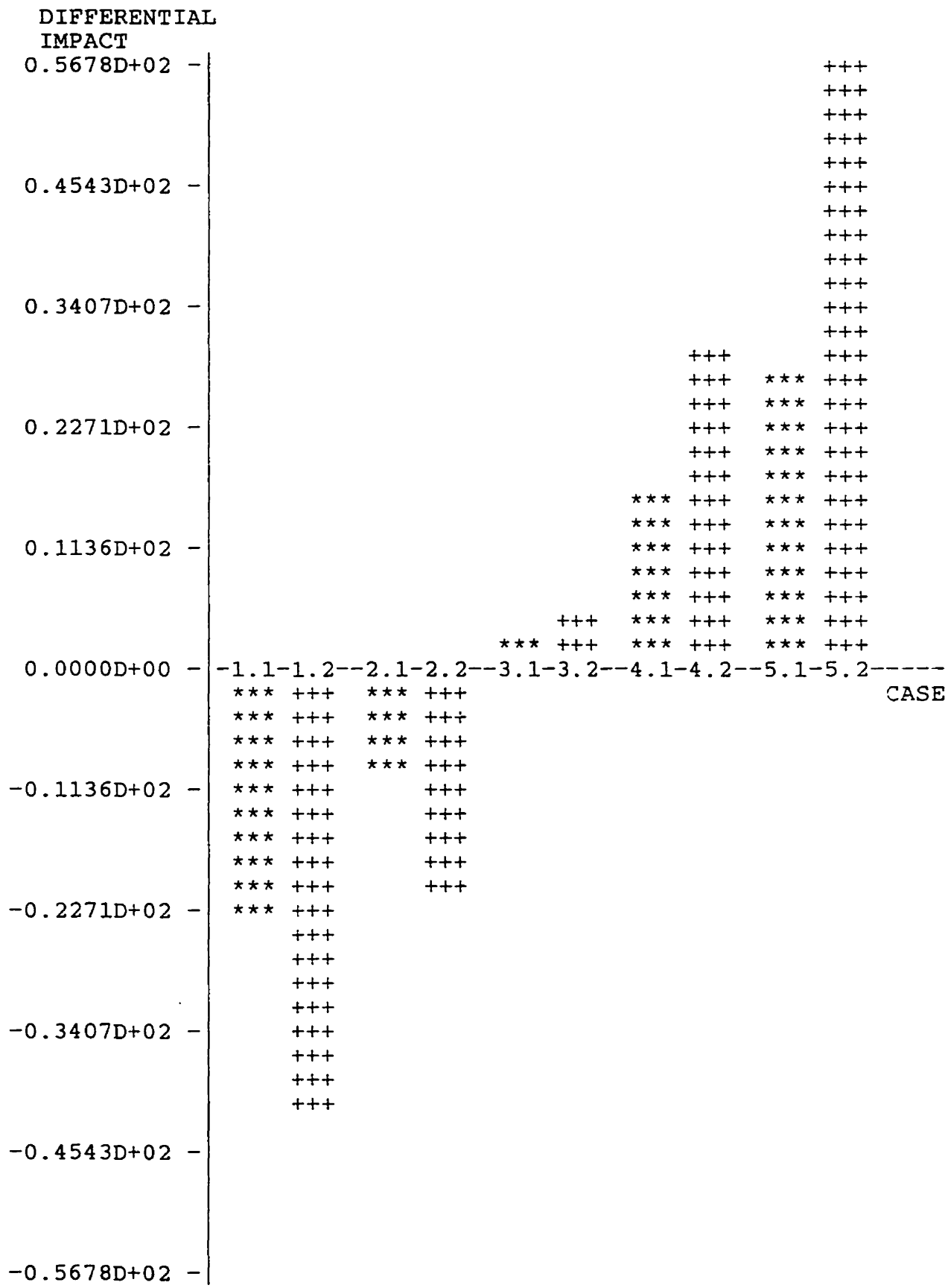


FIGURE C.2 : DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON GNP, 1980:2-1983:1

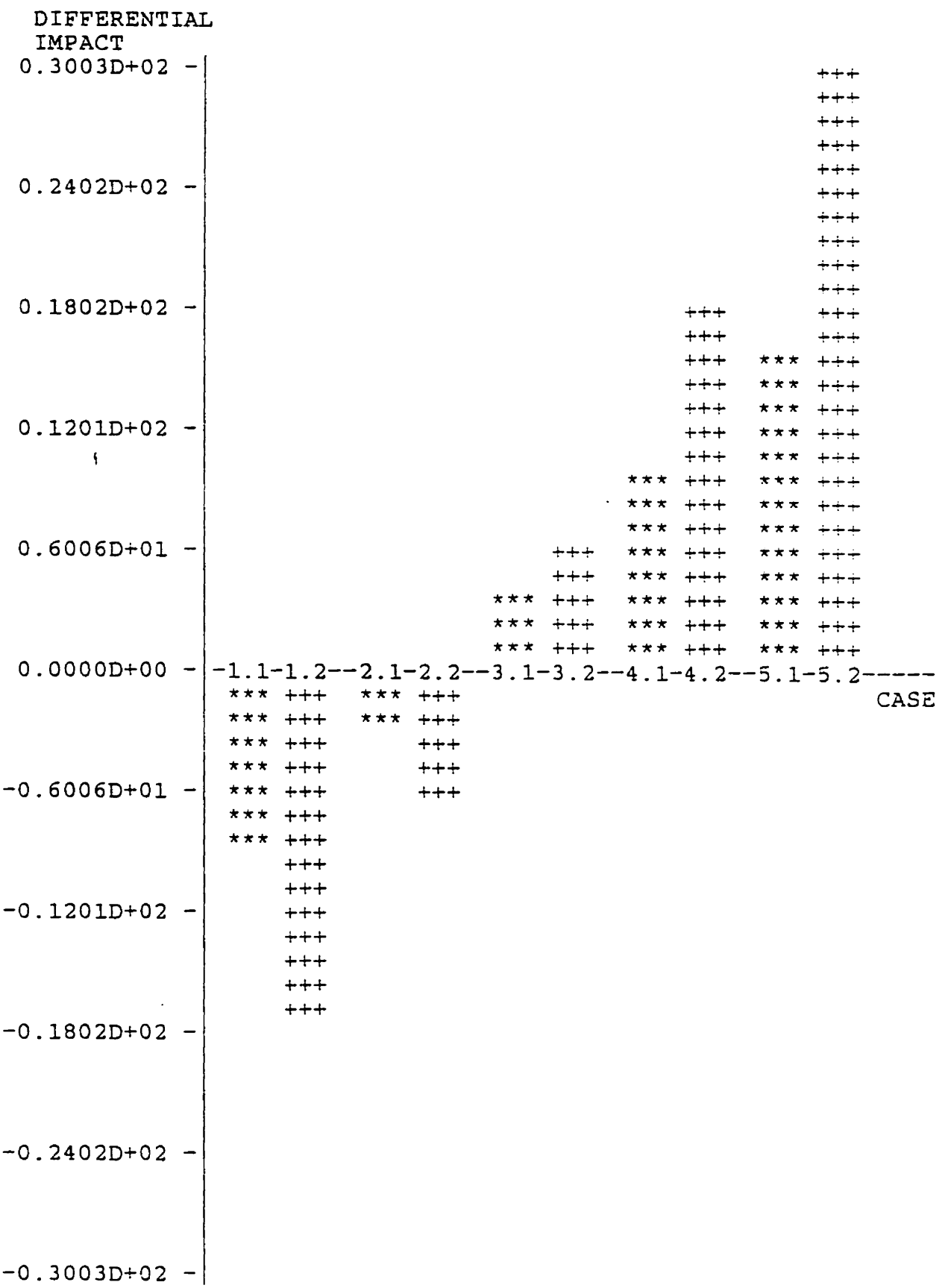


FIGURE C.3 : DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON EMPLOYMENT, 1980:2-1983:1

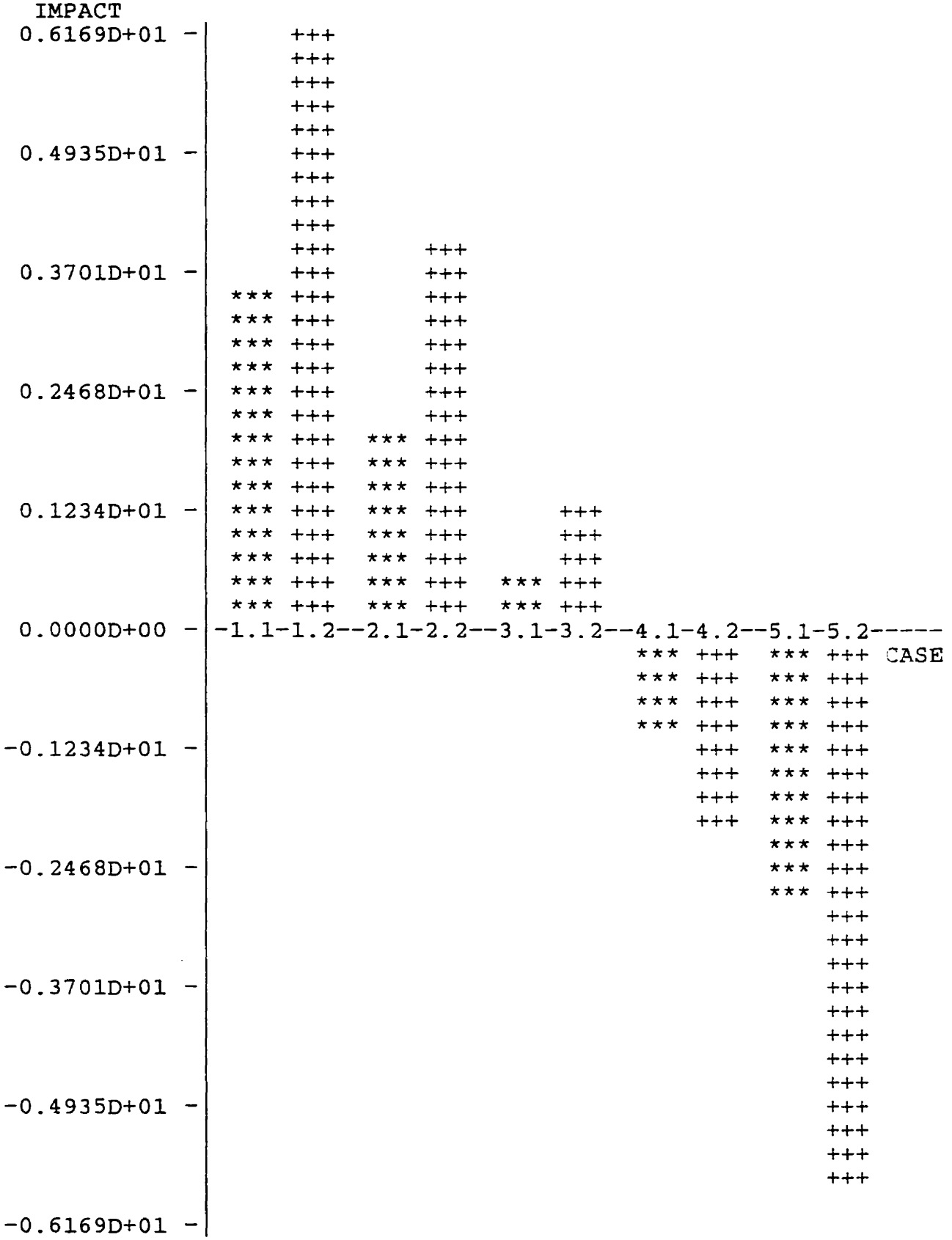


FIGURE C.4 : DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON RATE OF INFLATION, GNP, 1980:2-1983:1

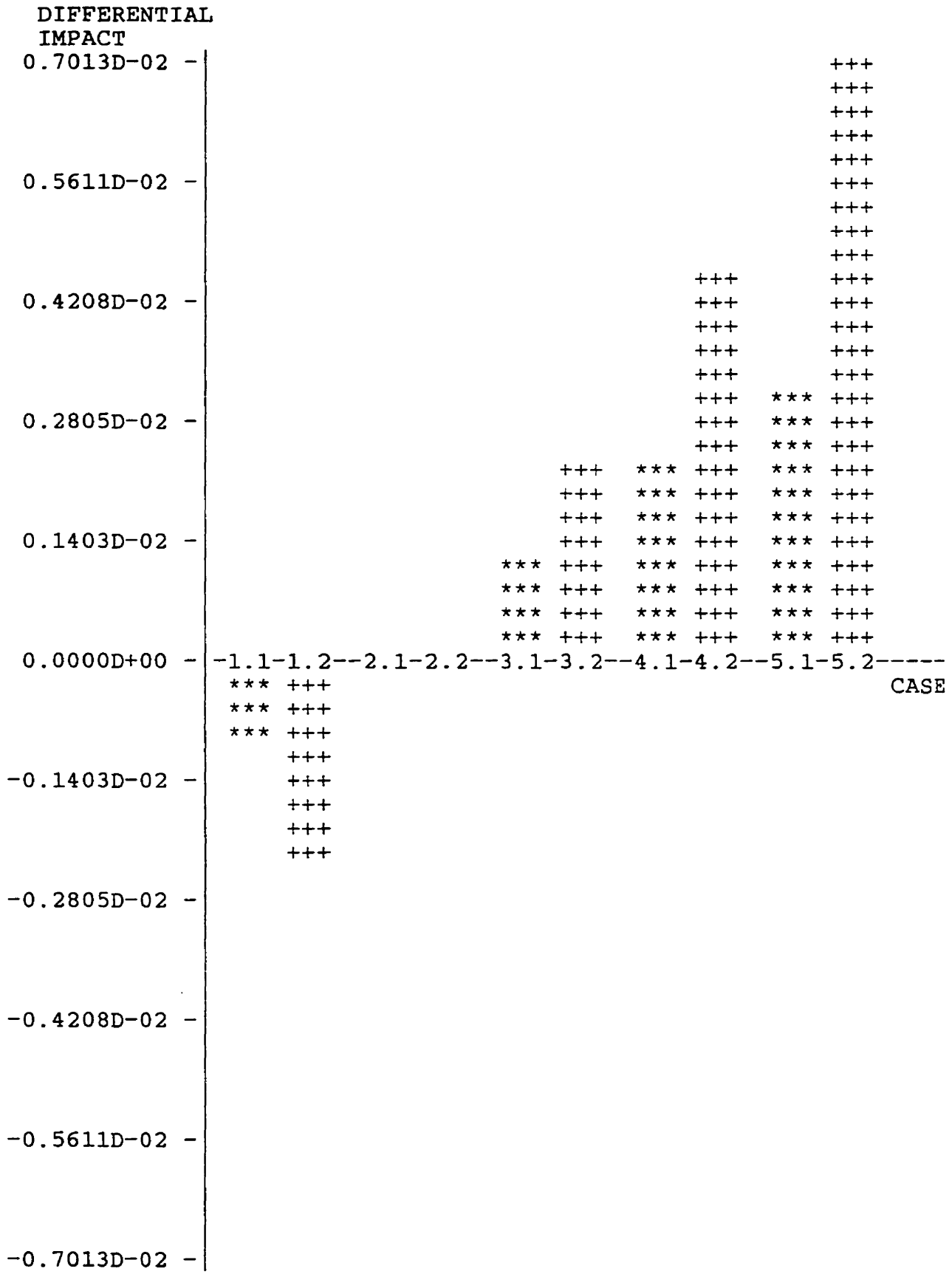


FIGURE C.5 : DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON RATE OF INFLATION, CONSUMER EXPENDITURE, 1980:2-1983:1

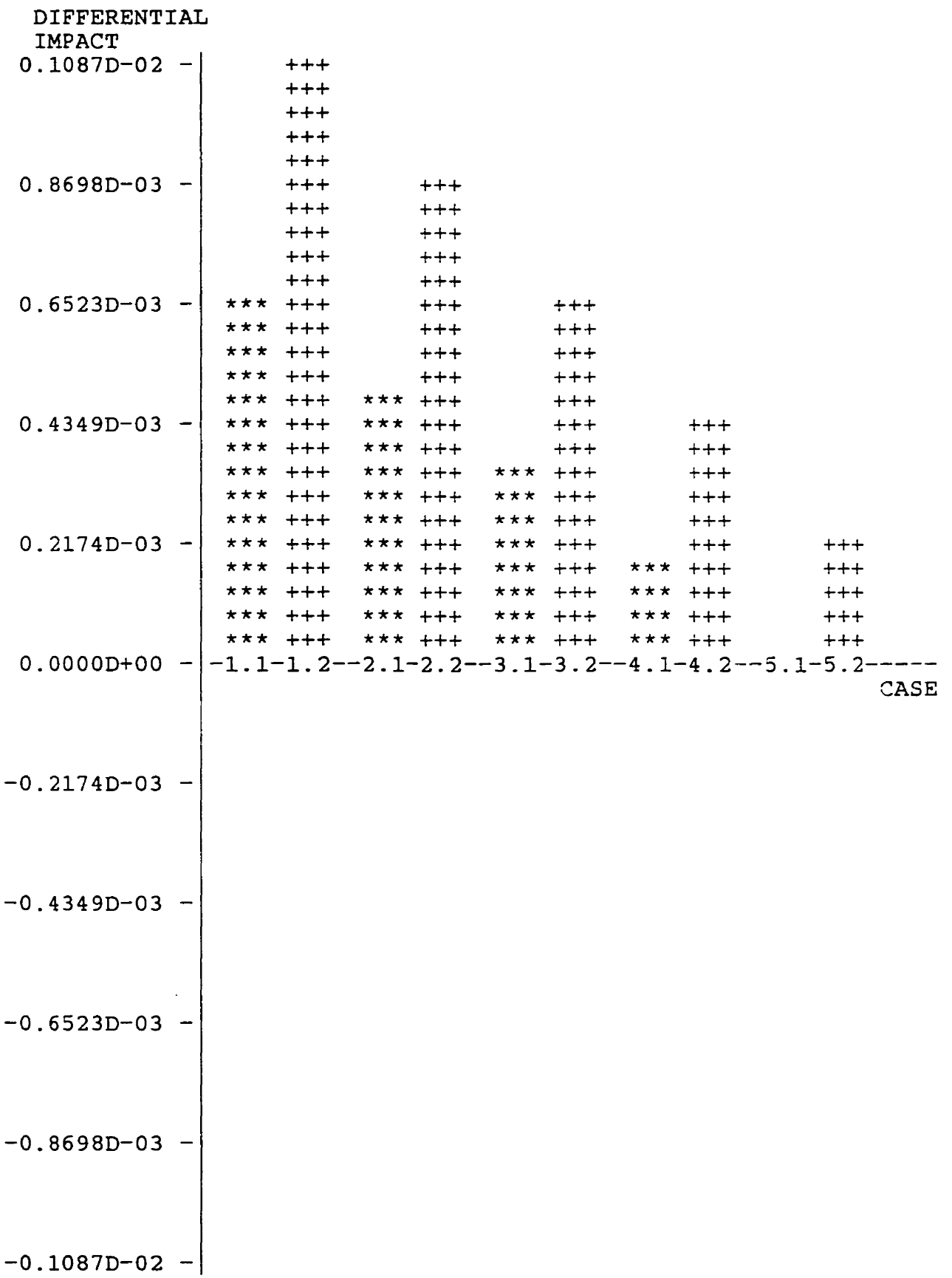


FIGURE C.6 : DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON LABOUR SHARE, 1980:2-1983:1

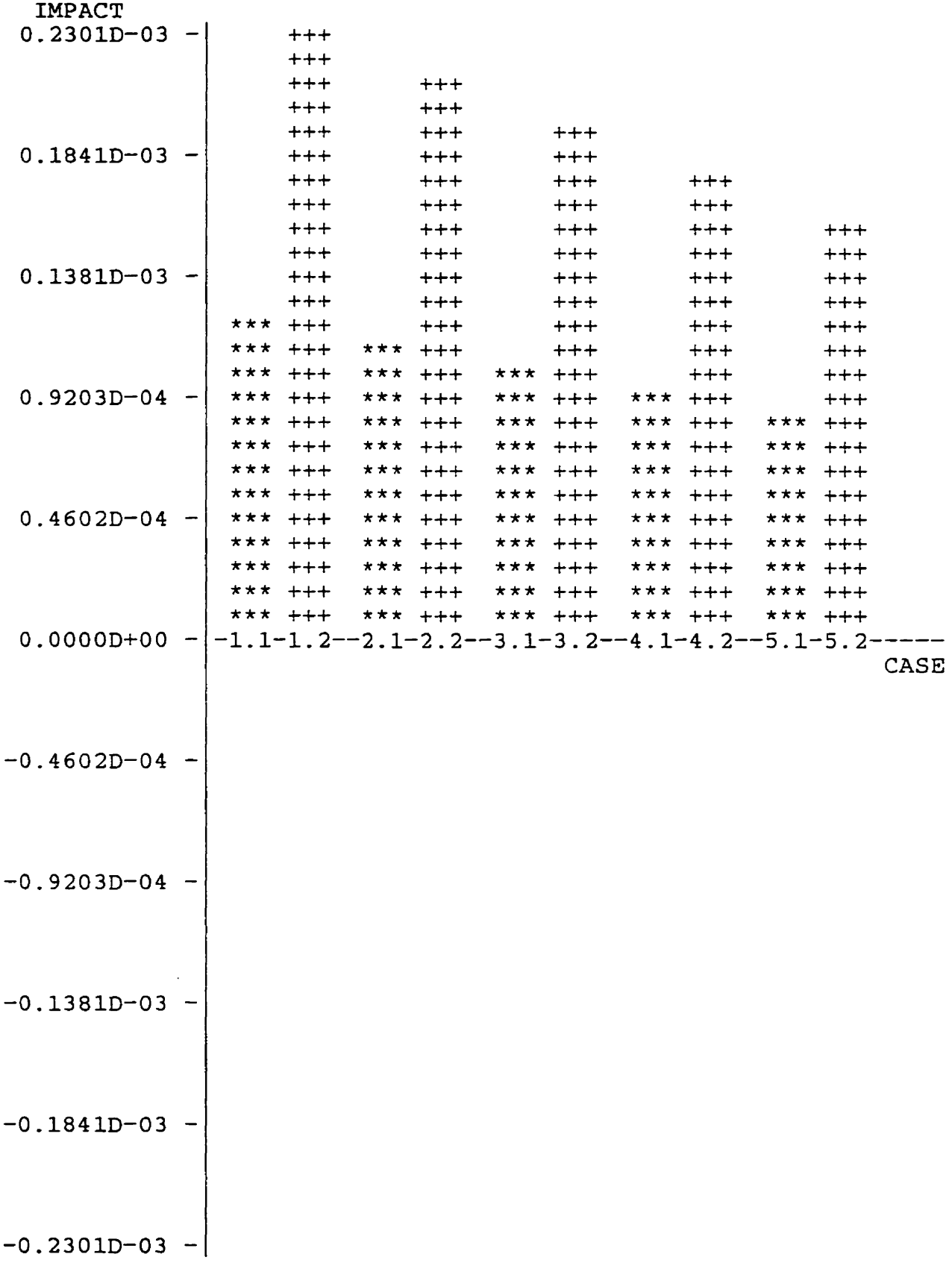


FIGURE C.7 : DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON PERSONAL INCOME TAX IN CURRENT DOLLARS, 1980:2-1983:1

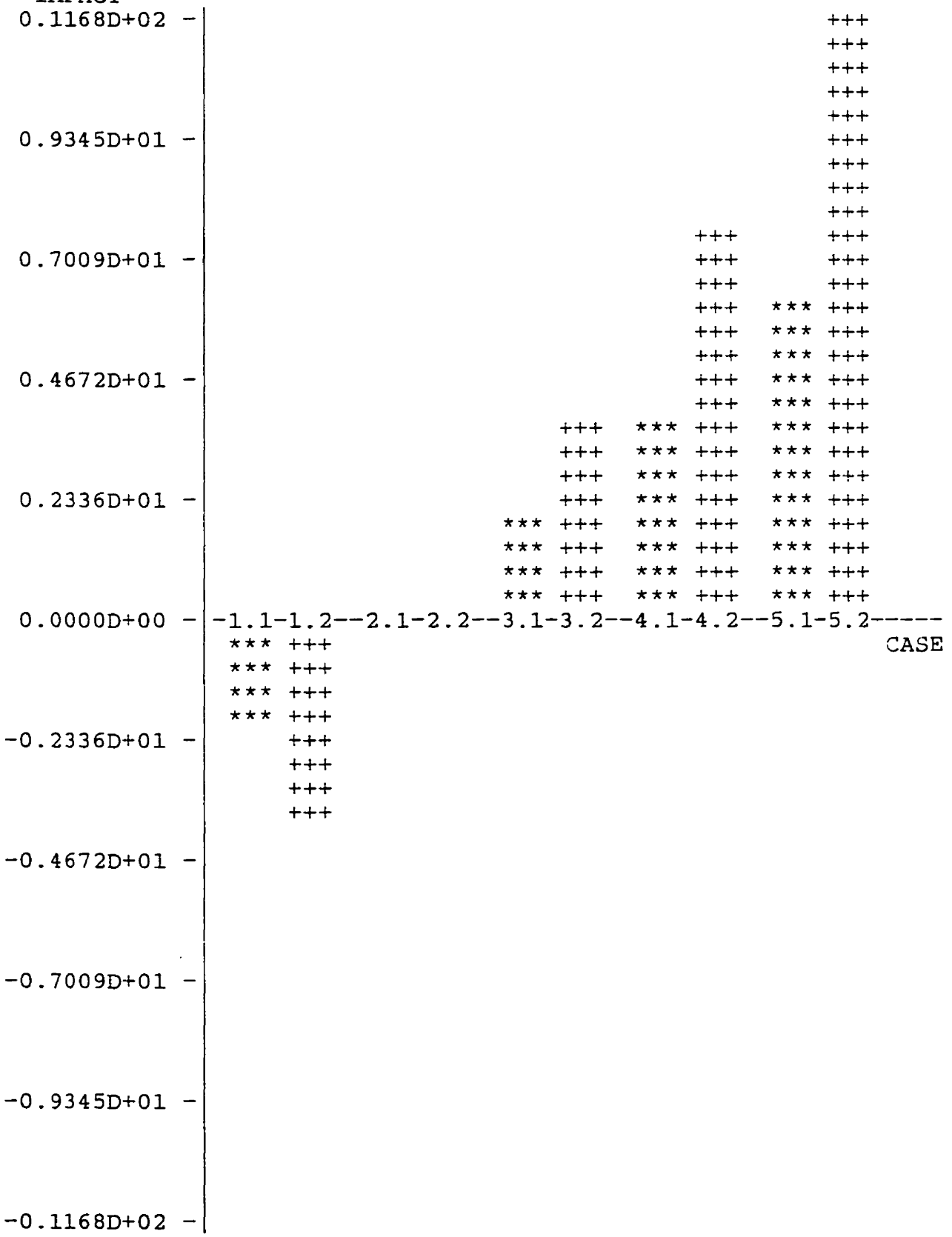


FIGURE C.8 : DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON LABOUR FORCE, 1980:2-1983:1

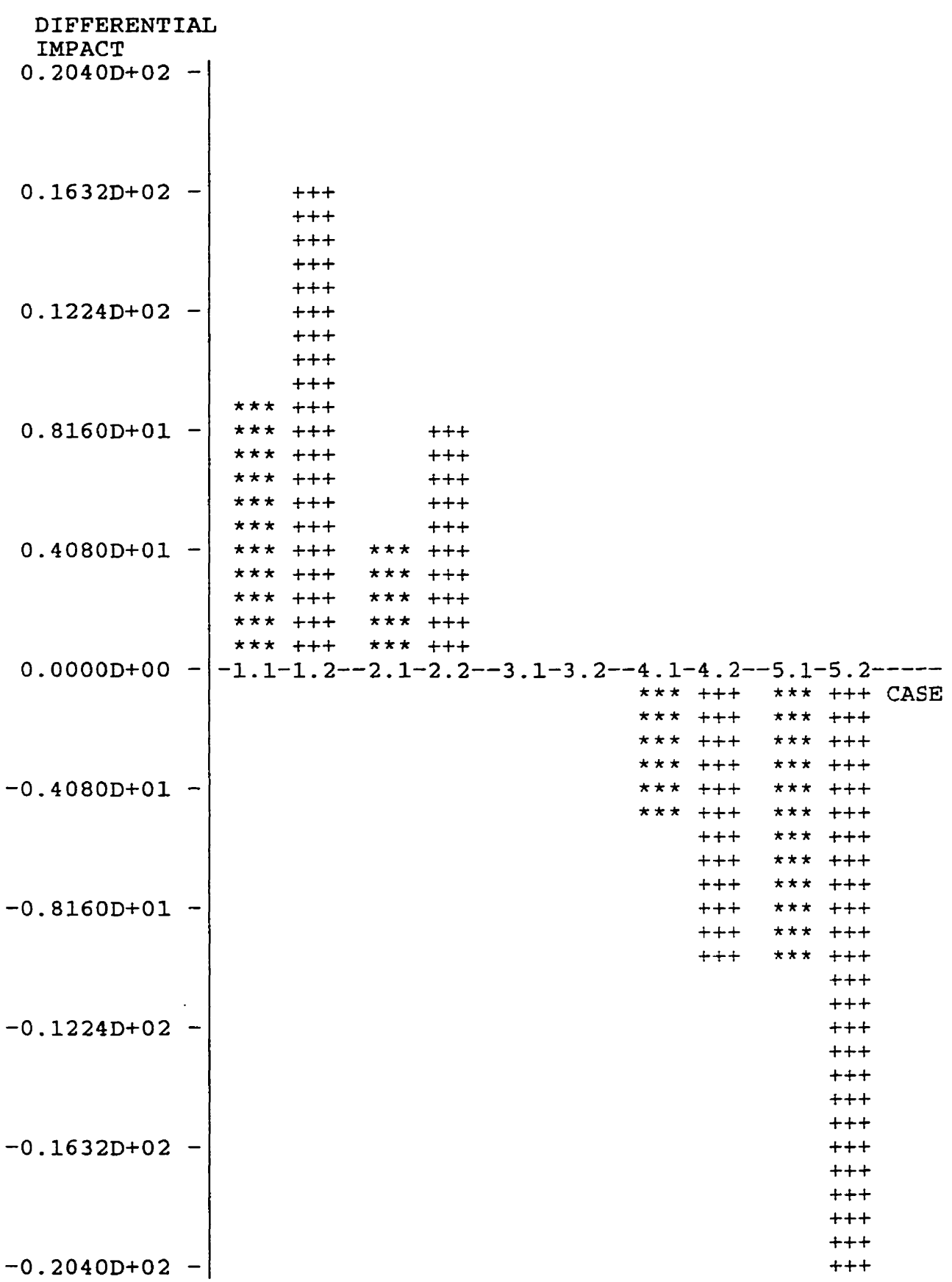


FIGURE C.9 : DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON SPOT EXCHANGE RATE, 1980:2-1983:1

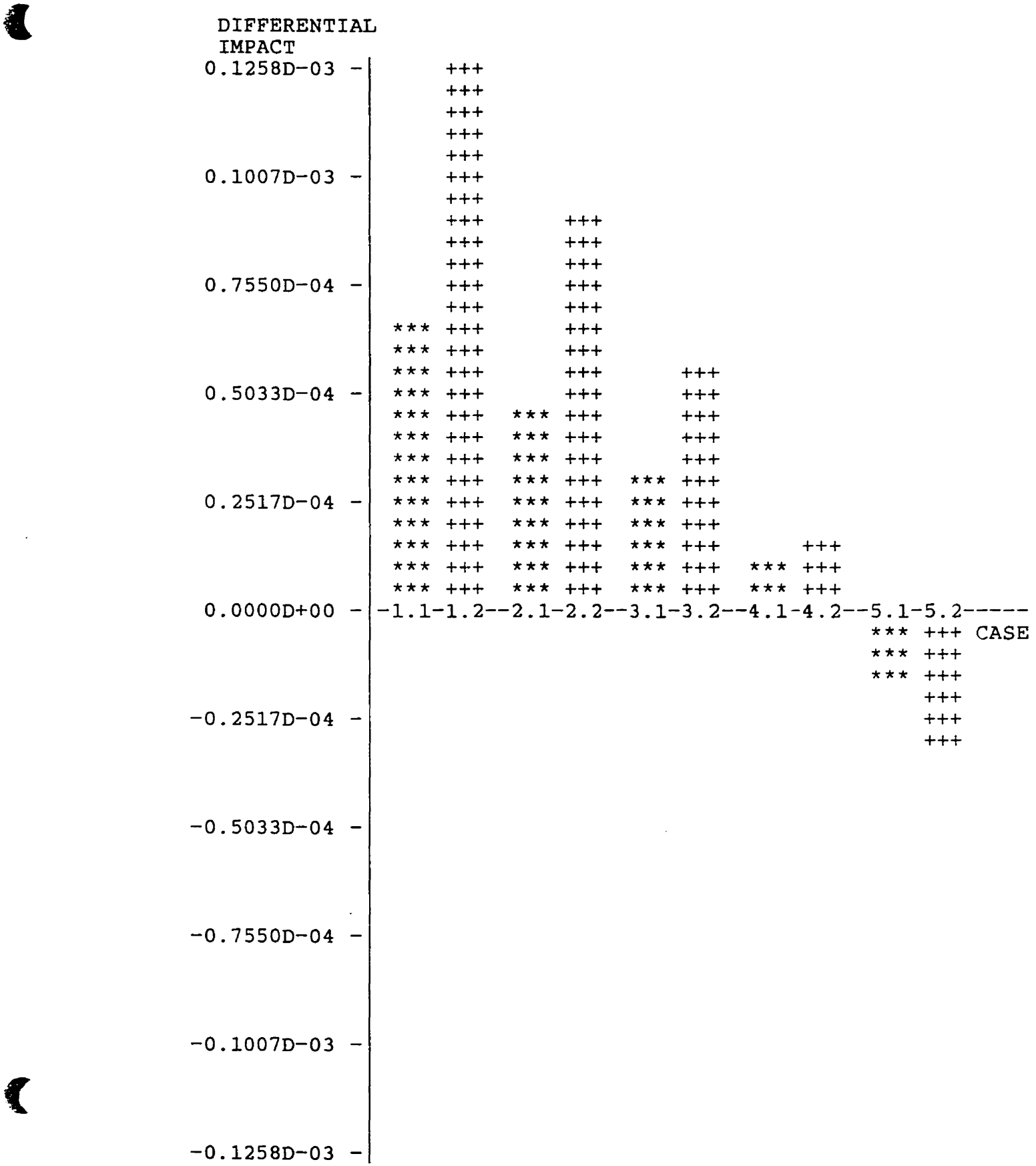


FIGURE C.10: DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON CONSUMER EXPENDITURE, TOTAL, 1980:2-1983:1

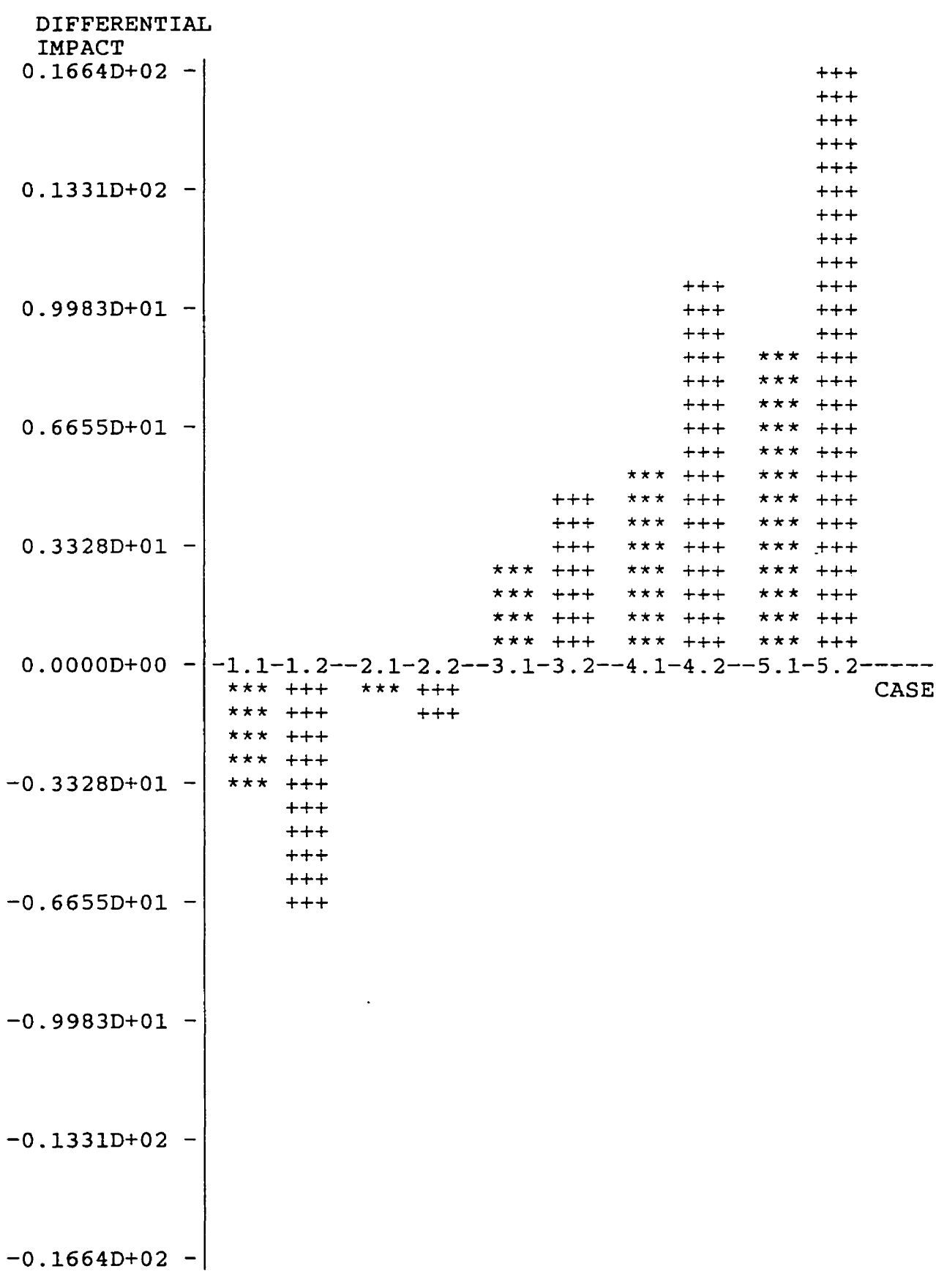


FIGURE C.11: DIFFERENTIAL IMPACT OF A BANK-RATE SHOCK ON INVESTMENT, TOTAL, 1980:2-1983:1

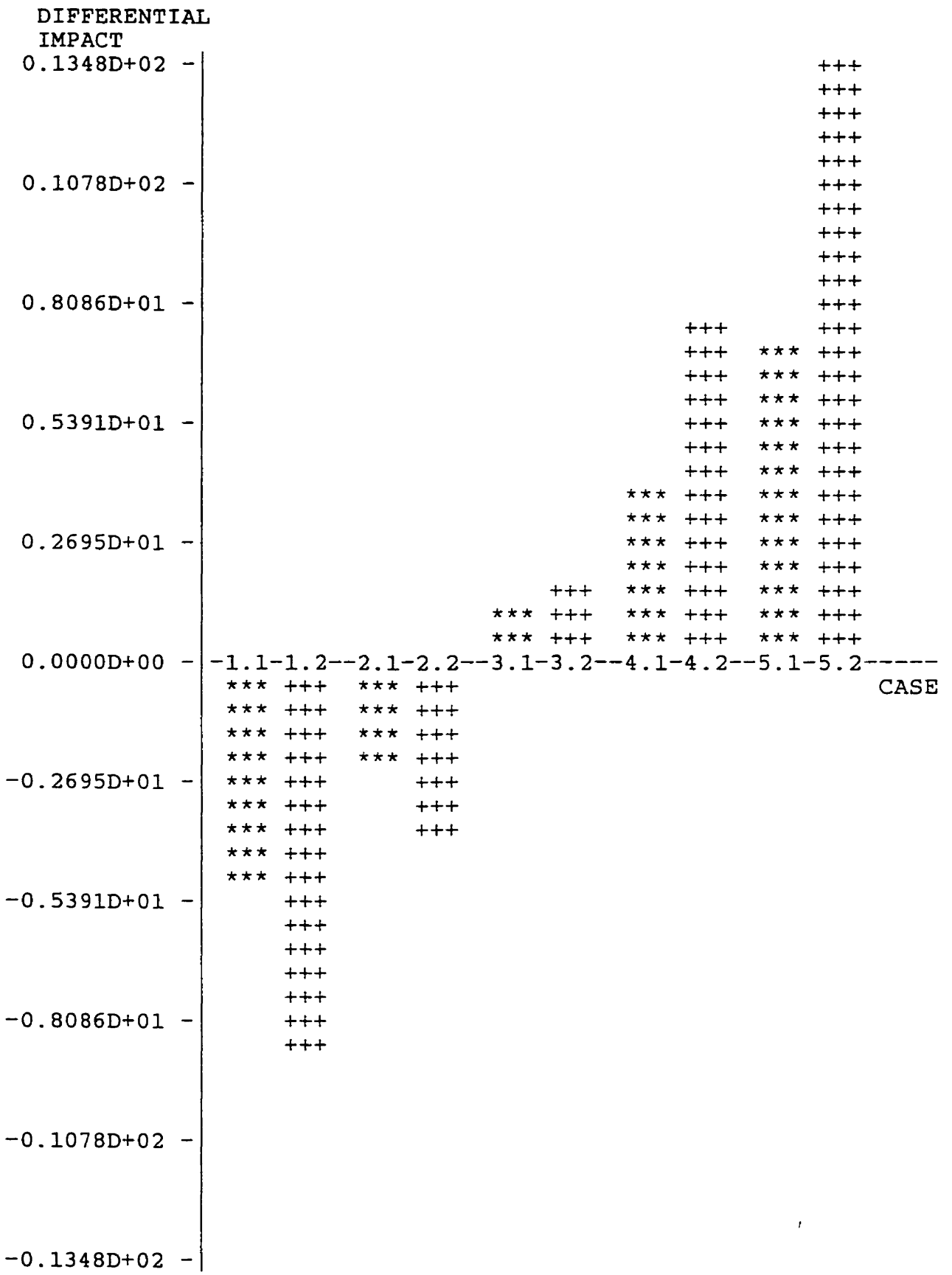


FIGURE D.1 : DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON GNP GAP, 1973:4-1976:3

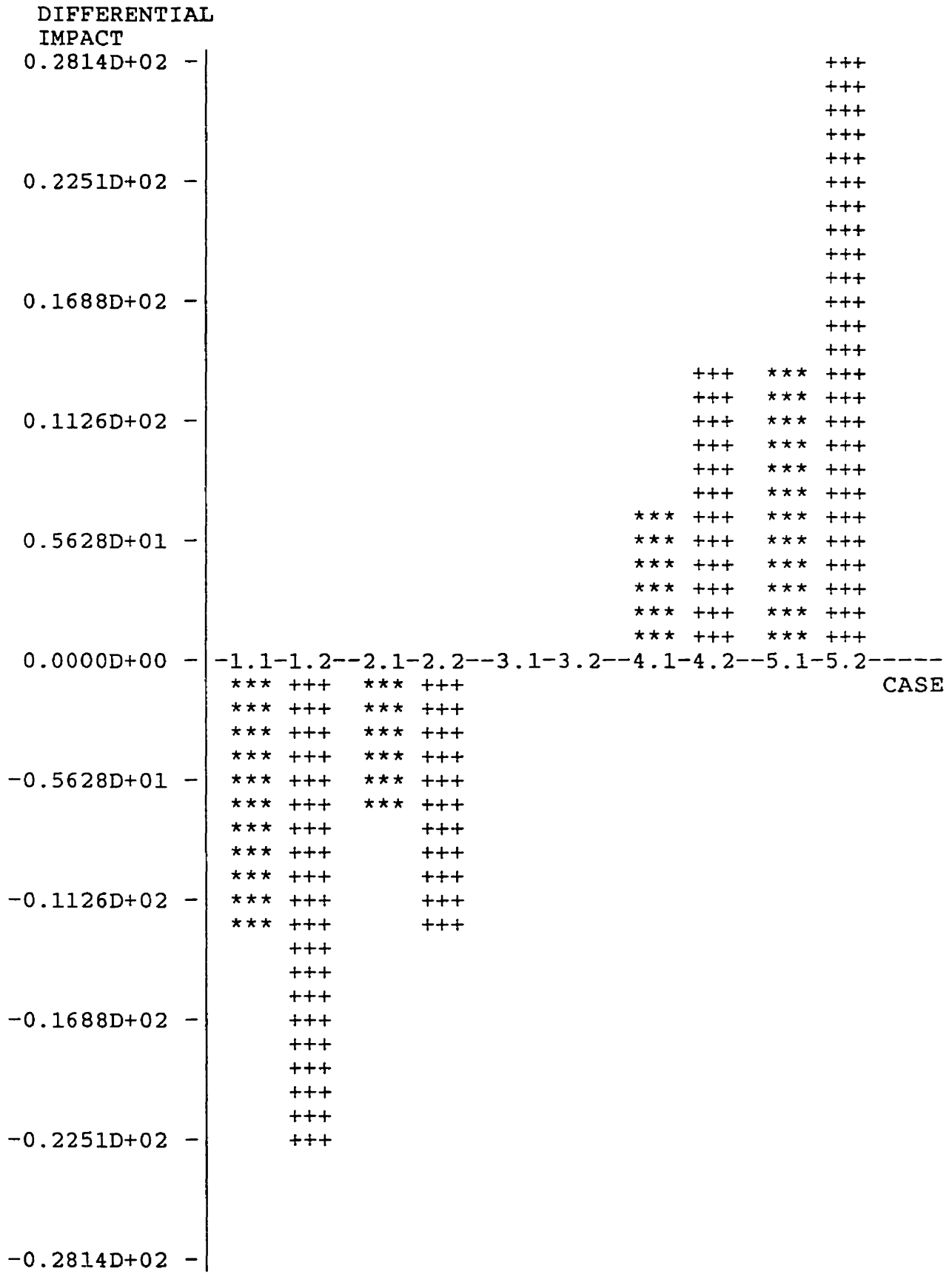


FIGURE D.2 : DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON GNP, 1973:4-1976:3

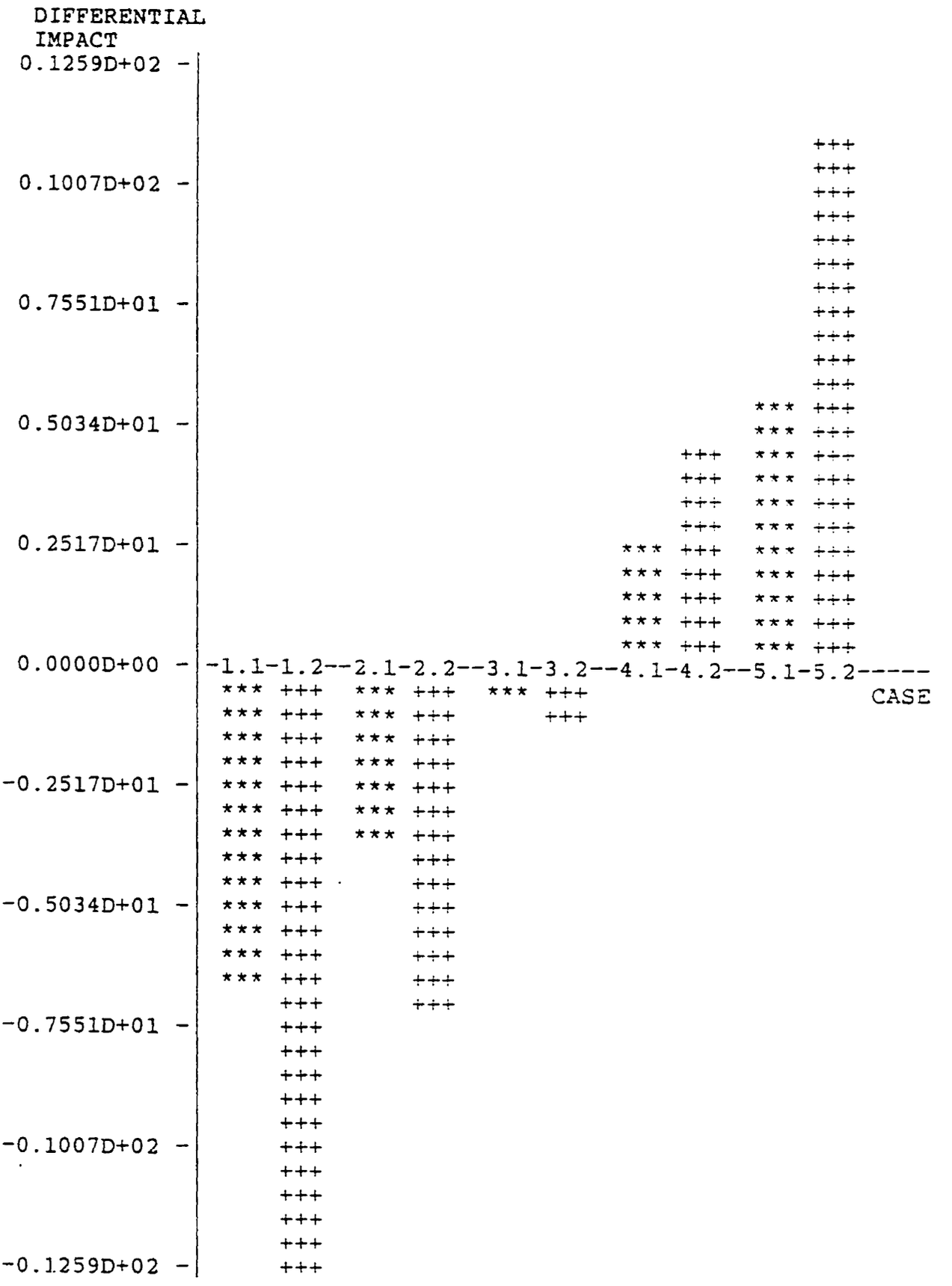


FIGURE D.3 : DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON EMPLOYMENT, 1973:4-1976:3

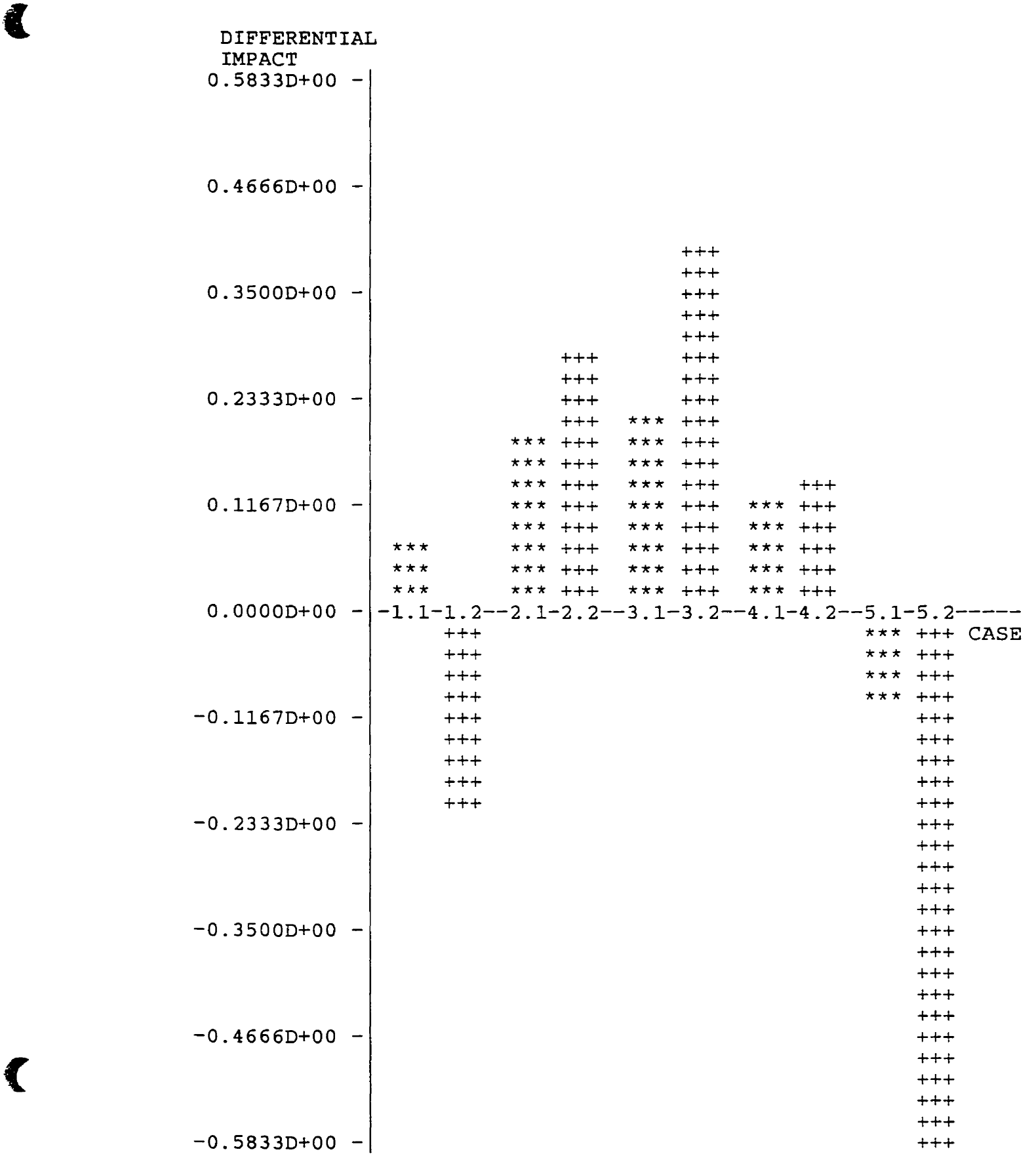


FIGURE D.4 : DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON RATE OF INFLATION, GNP, 1973:4-1976:3

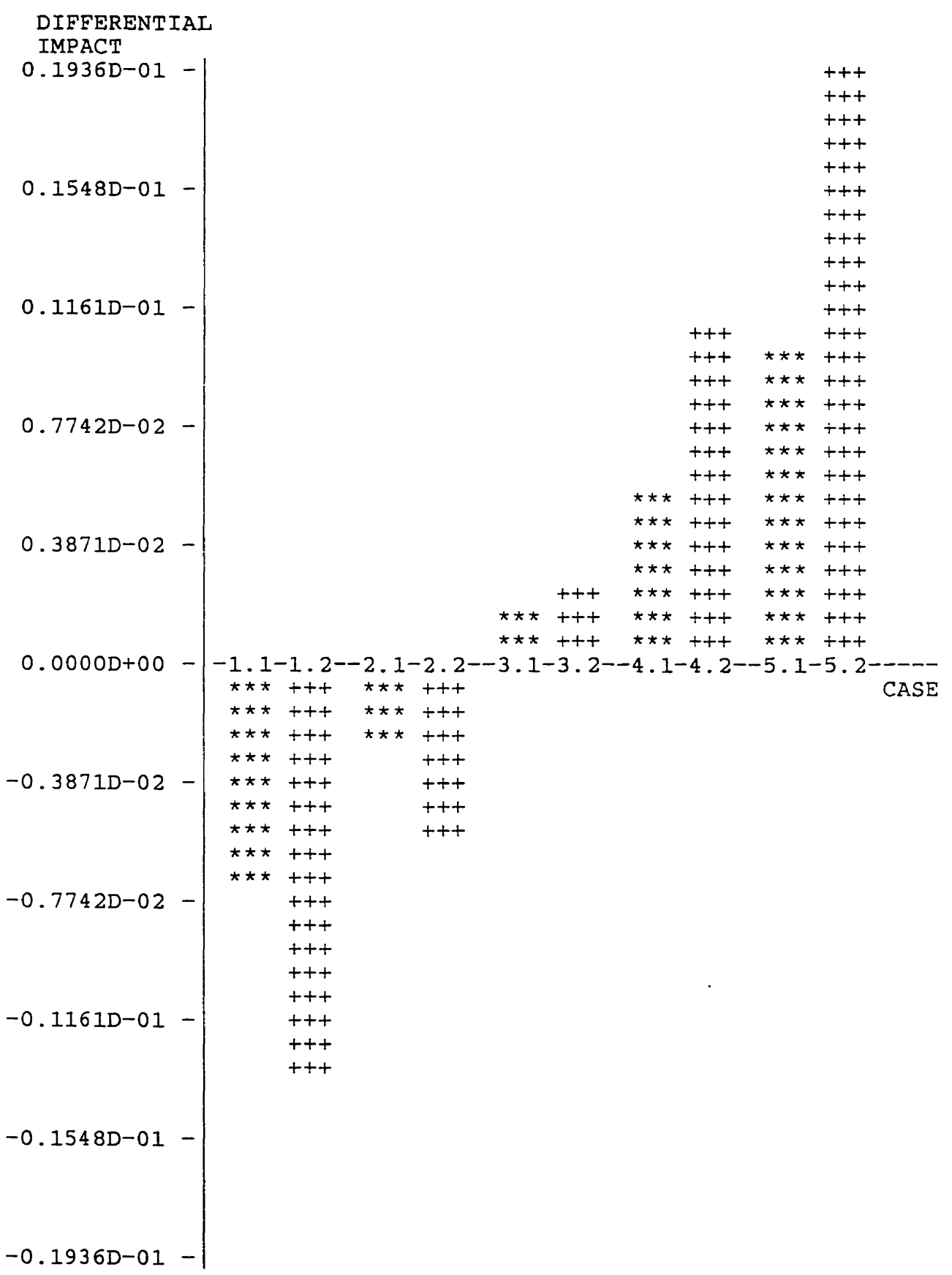


FIGURE D.5 : DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON RATE OF INFLATION, CONSUMER EXPENDITURE, 1973:4-1976:3

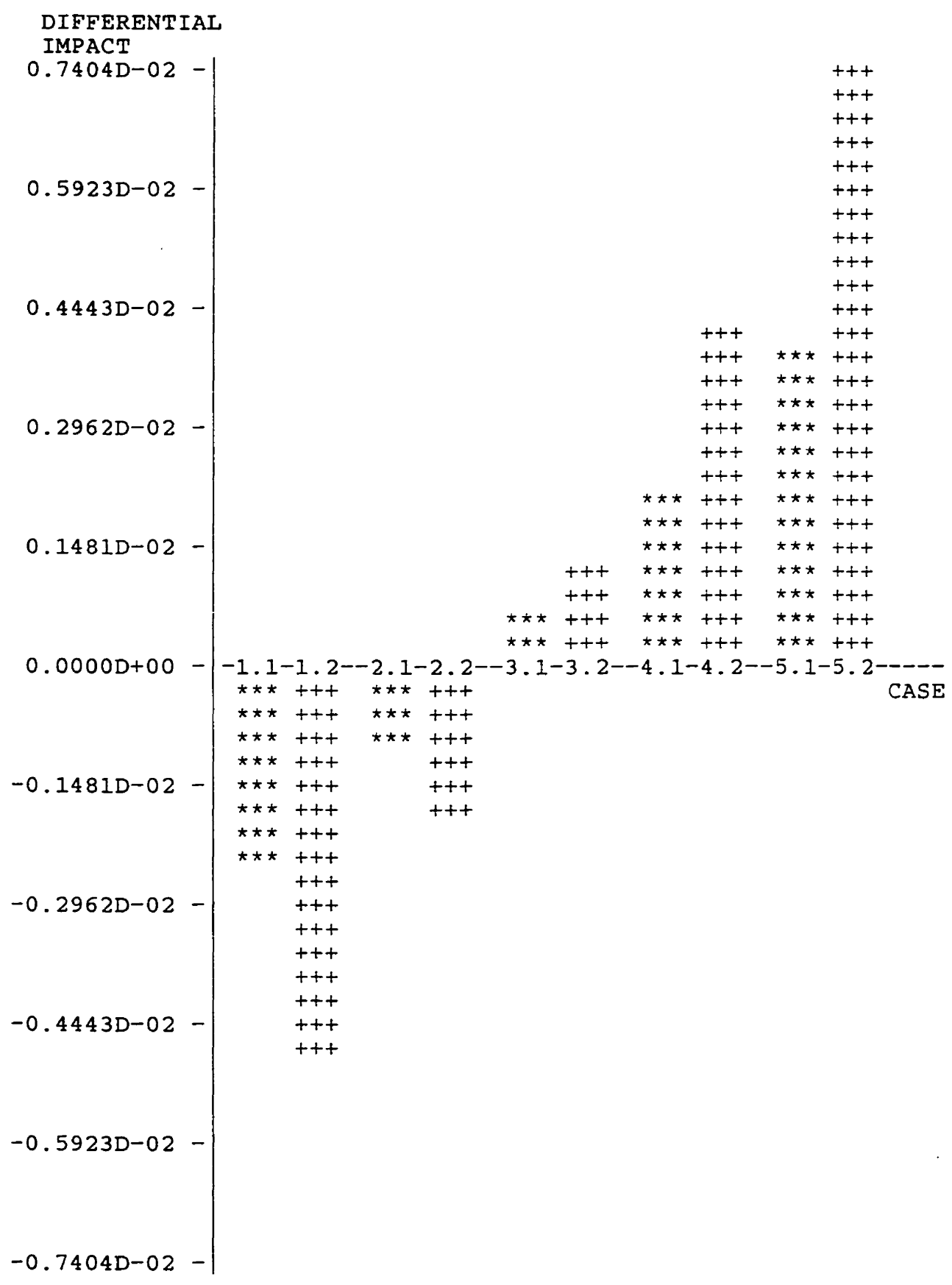


FIGURE D.6 : DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON LABOUR SHARE, 1973:4-1976:3

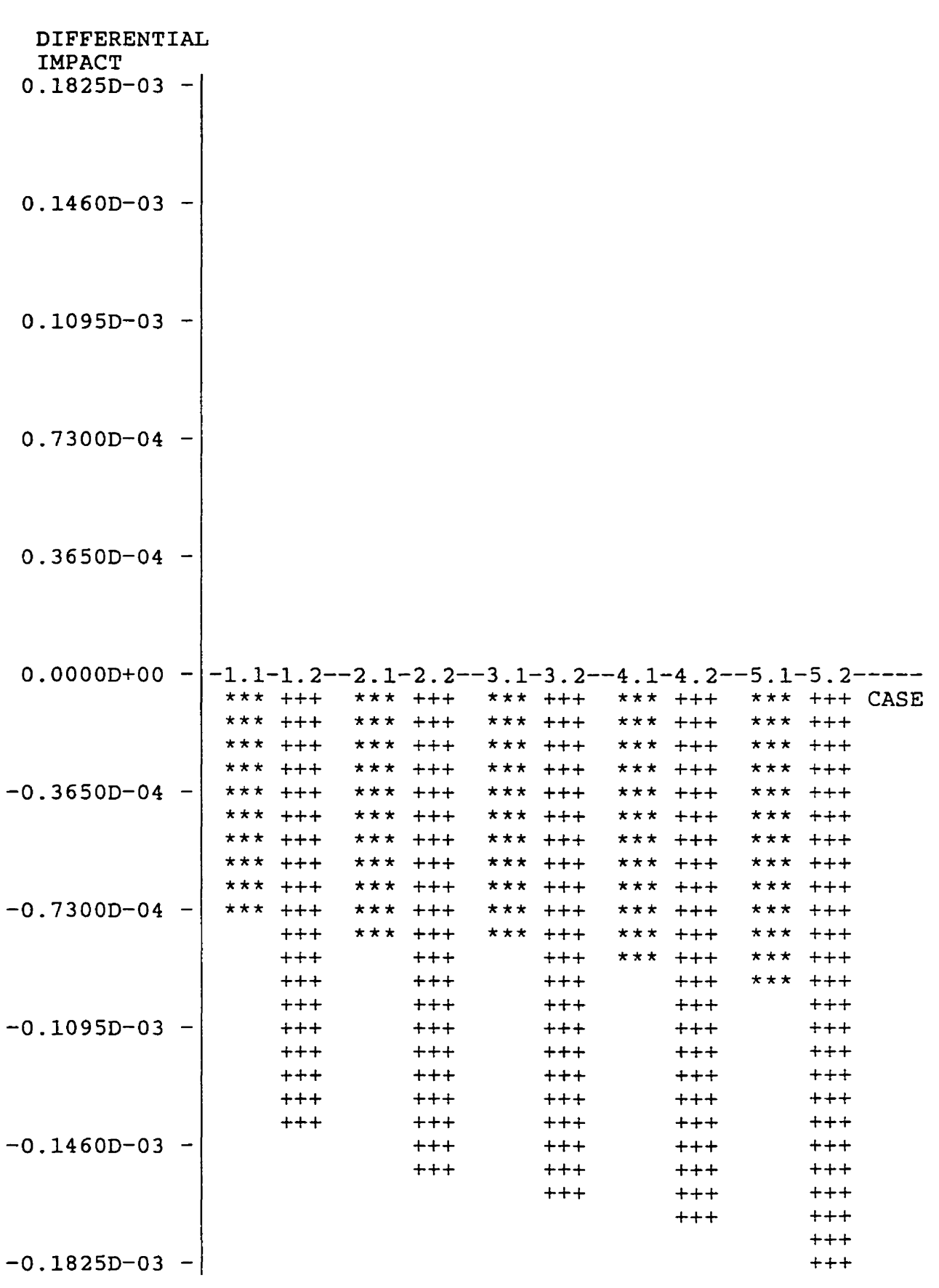


FIGURE D.7 : DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON PERSONAL INCOME TAX IN CURRENT DOLLARS, 1973:4-1976:3

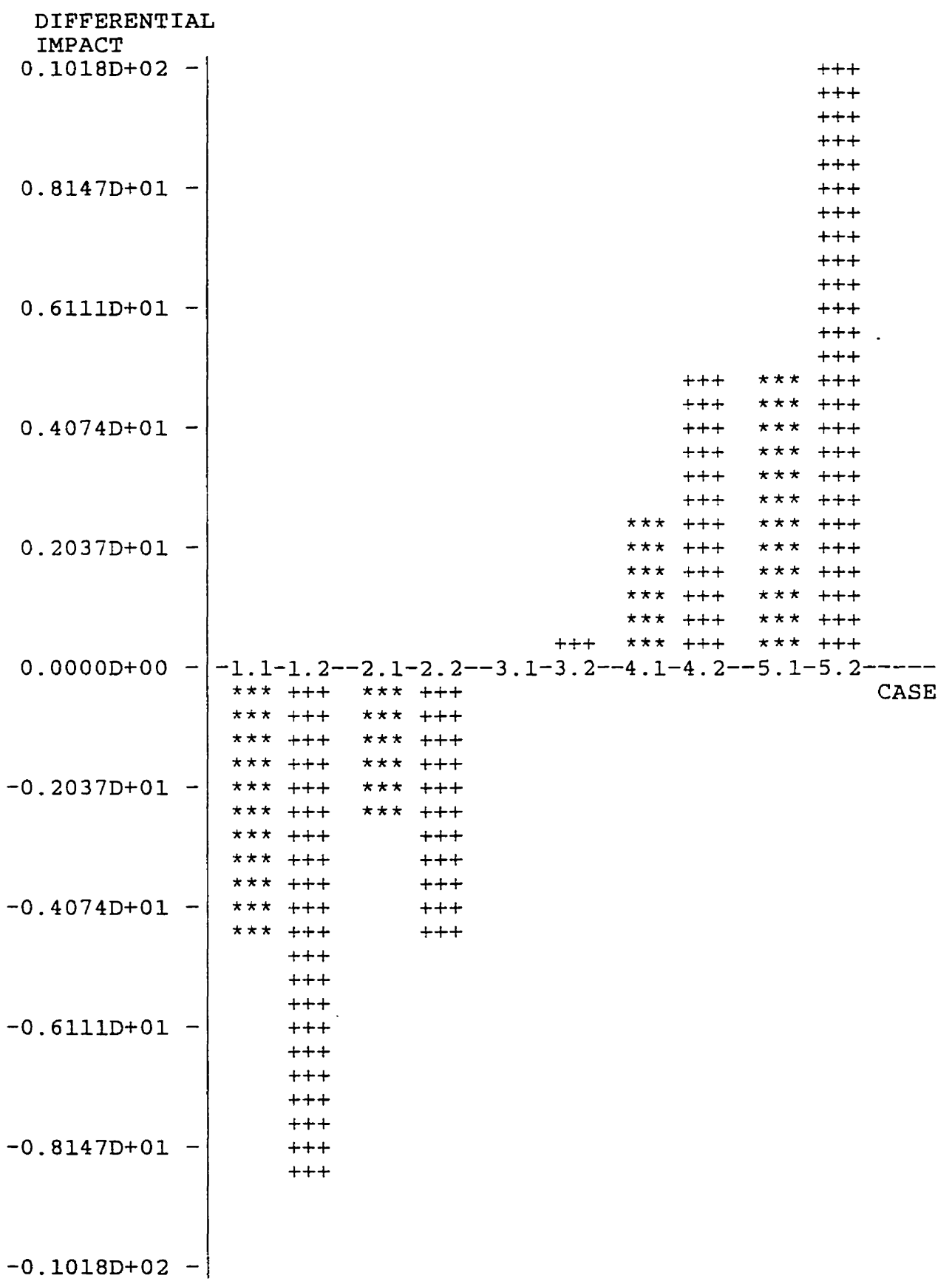


FIGURE D.8 : DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON LABOUR FORCE, 1973:4-1976:3

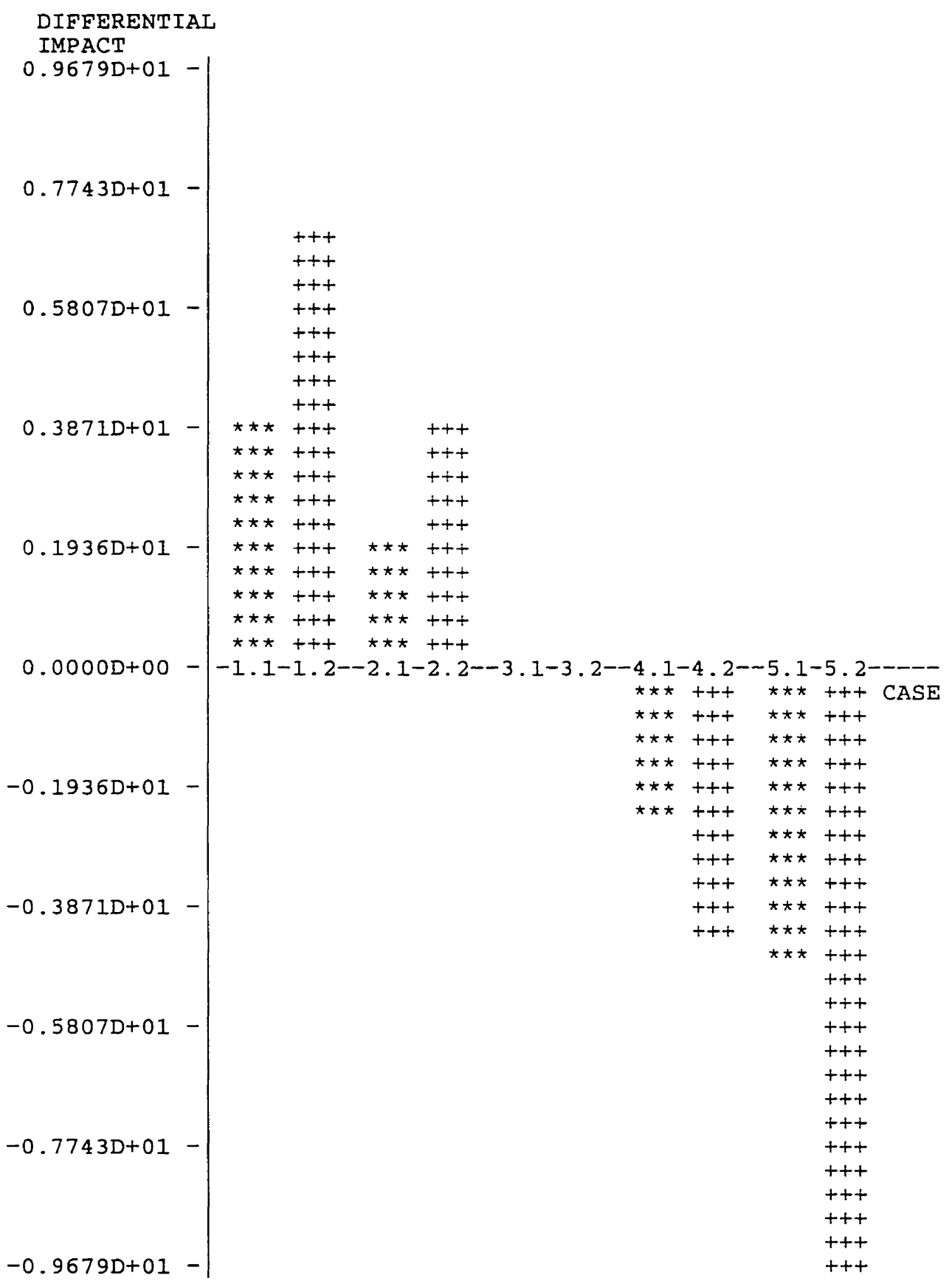


FIGURE D.9 : DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON SPOT EXCHANGE RATE, 1973:4-1976:3

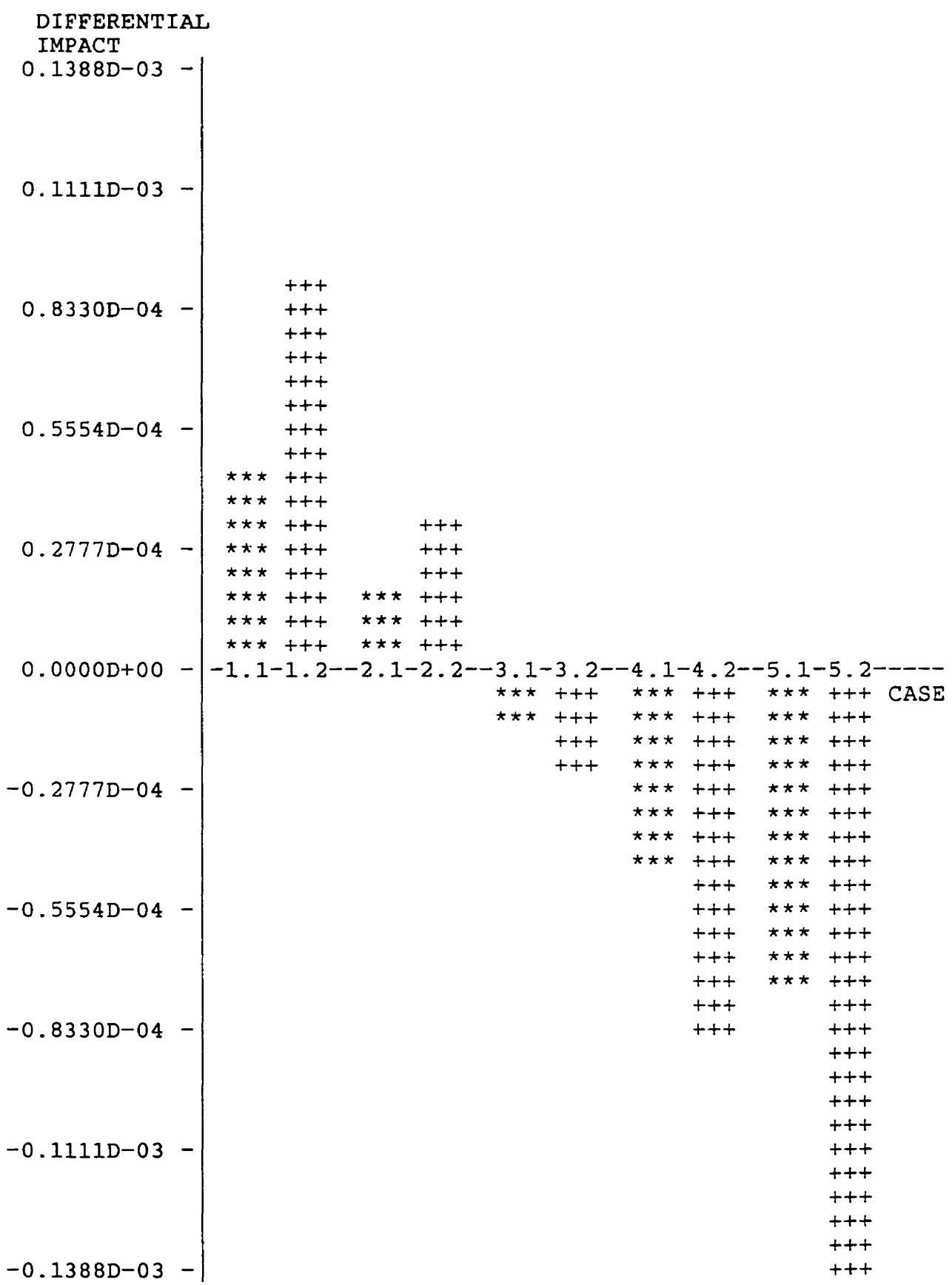


FIGURE D.10: DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON CONSUMER EXPENDITURE, TOTAL, 1973:4–1976:3

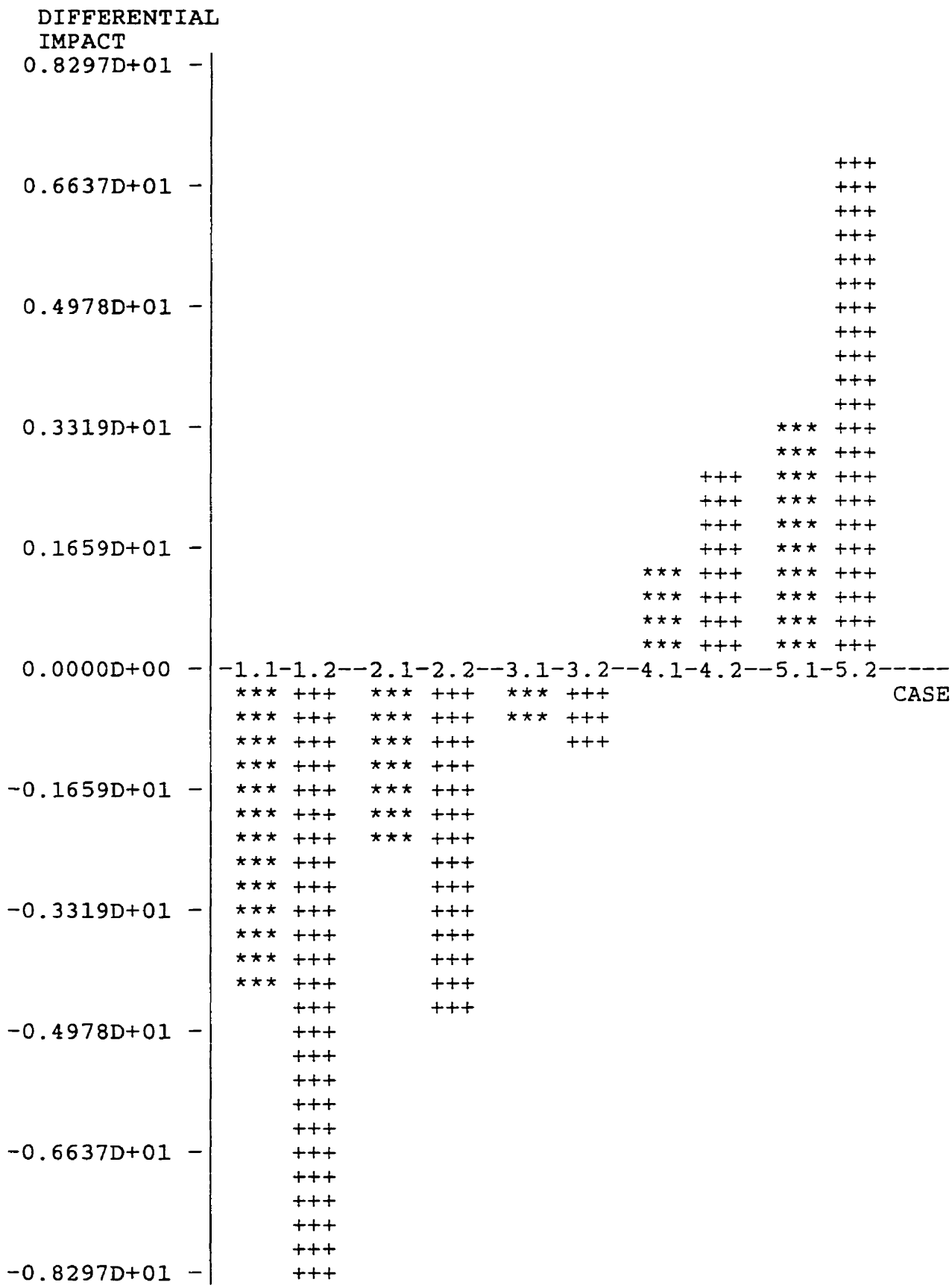


FIGURE D.11: DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON INVESTMENT, TOTAL, 1973:4-1976:3

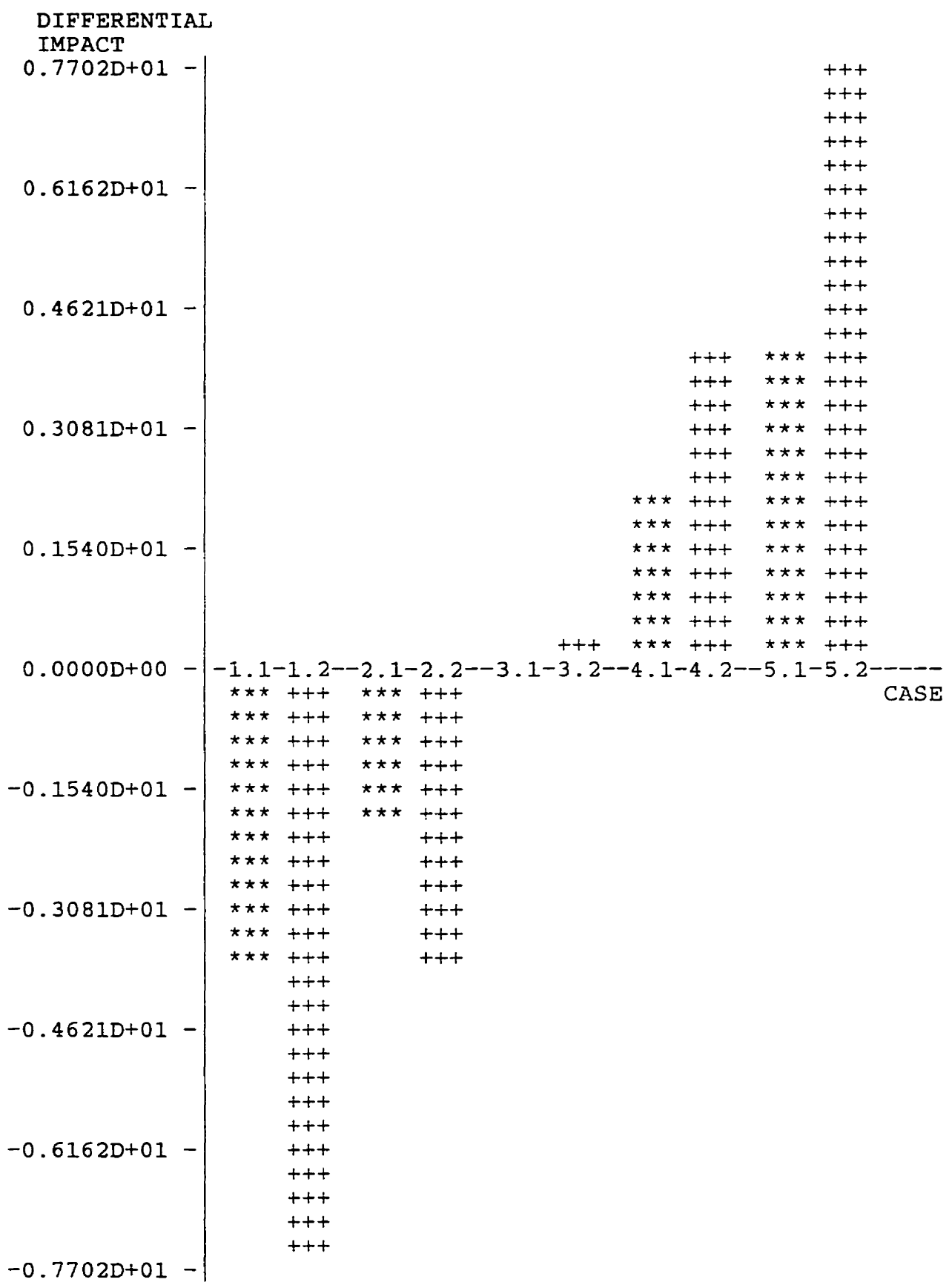


FIGURE E.1 : DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON GNP GAP, 1977:1-1979:4

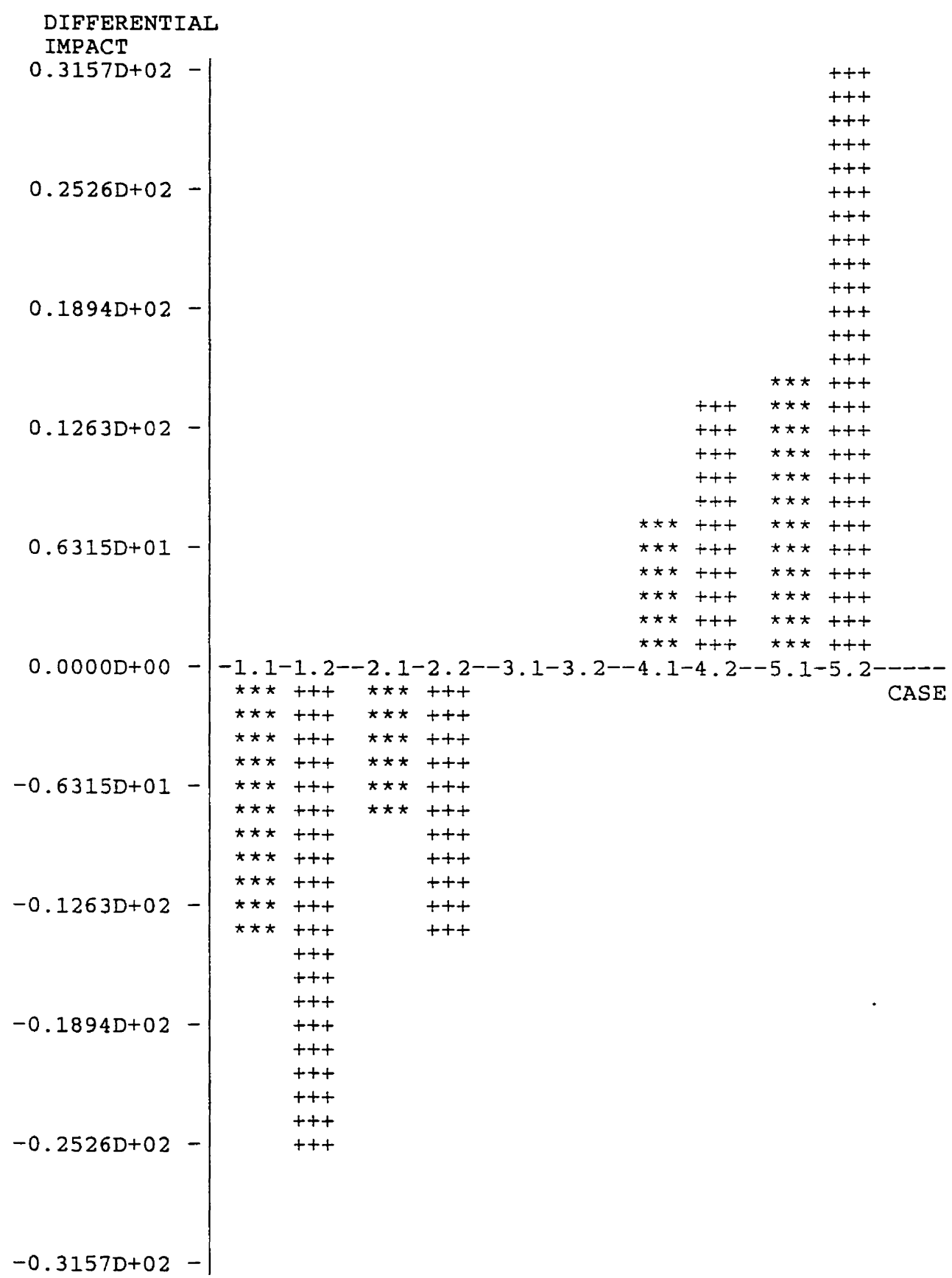


FIGURE E.2 : DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON GNP, 1977:1-1979:4

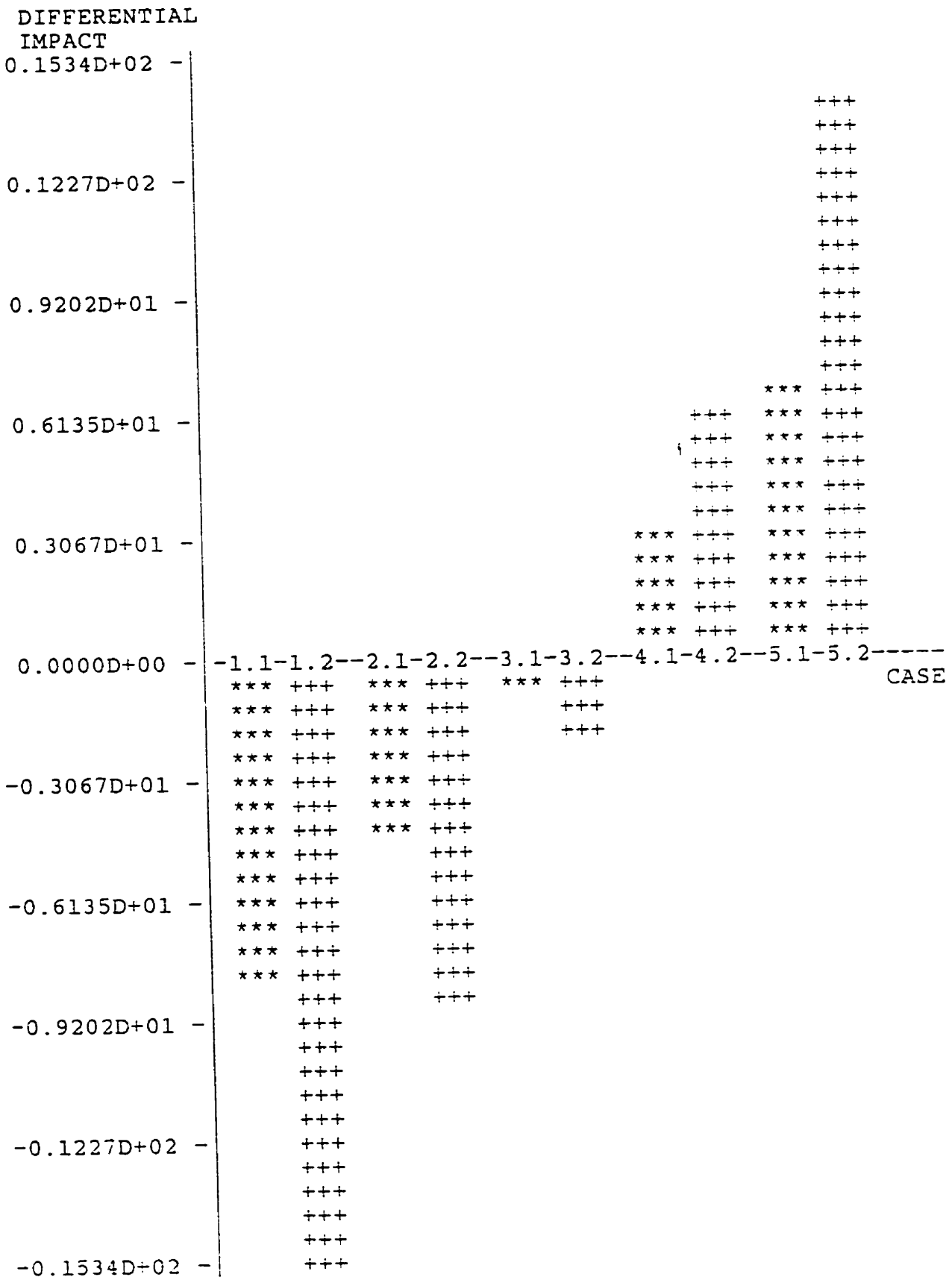


FIGURE E.3 : DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON EMPLOYMENT, 1977:1-1979:4

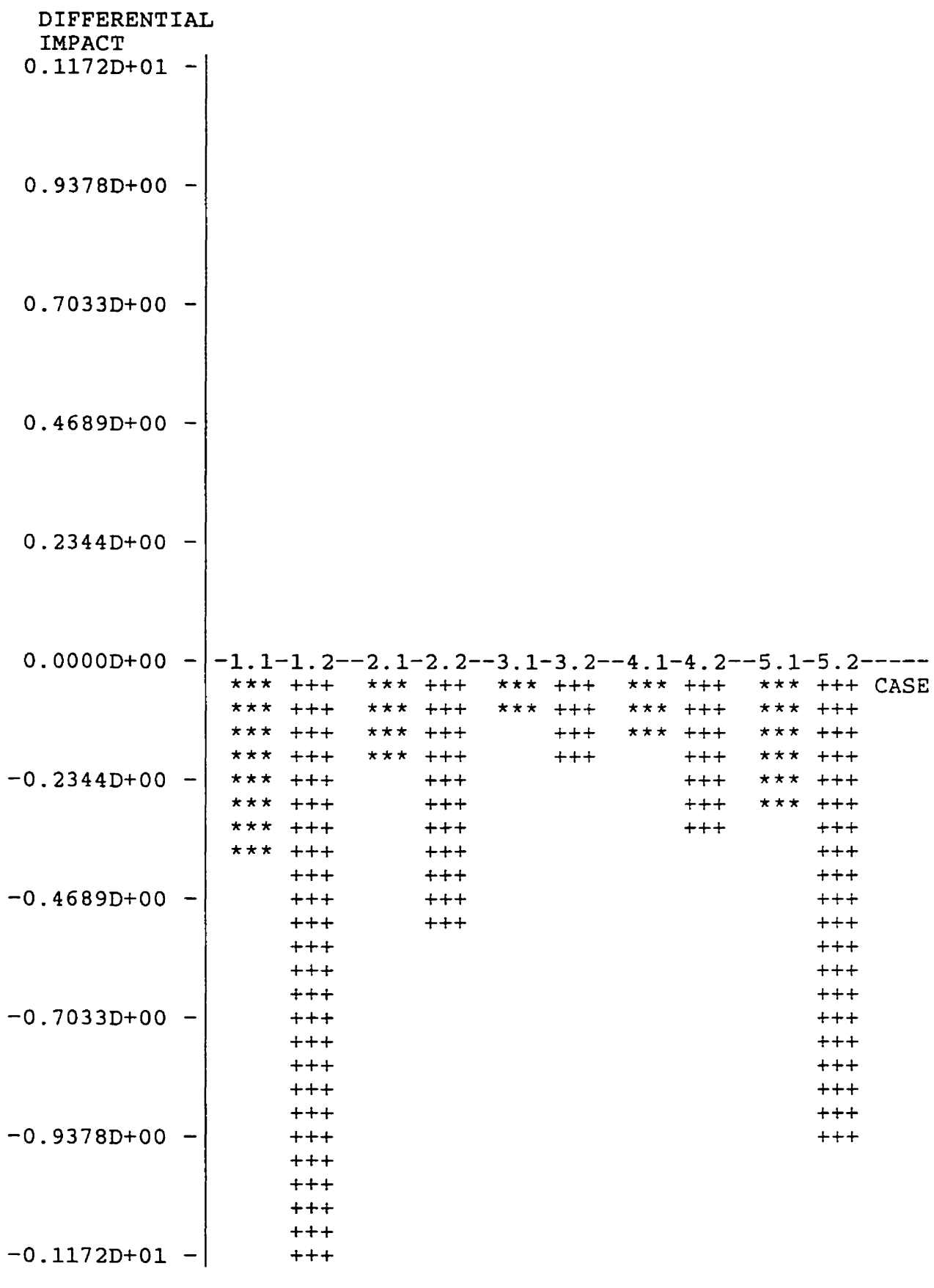


FIGURE E.4 : DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON RATE OF INFLATION, GNP, 1977:1-1979:4

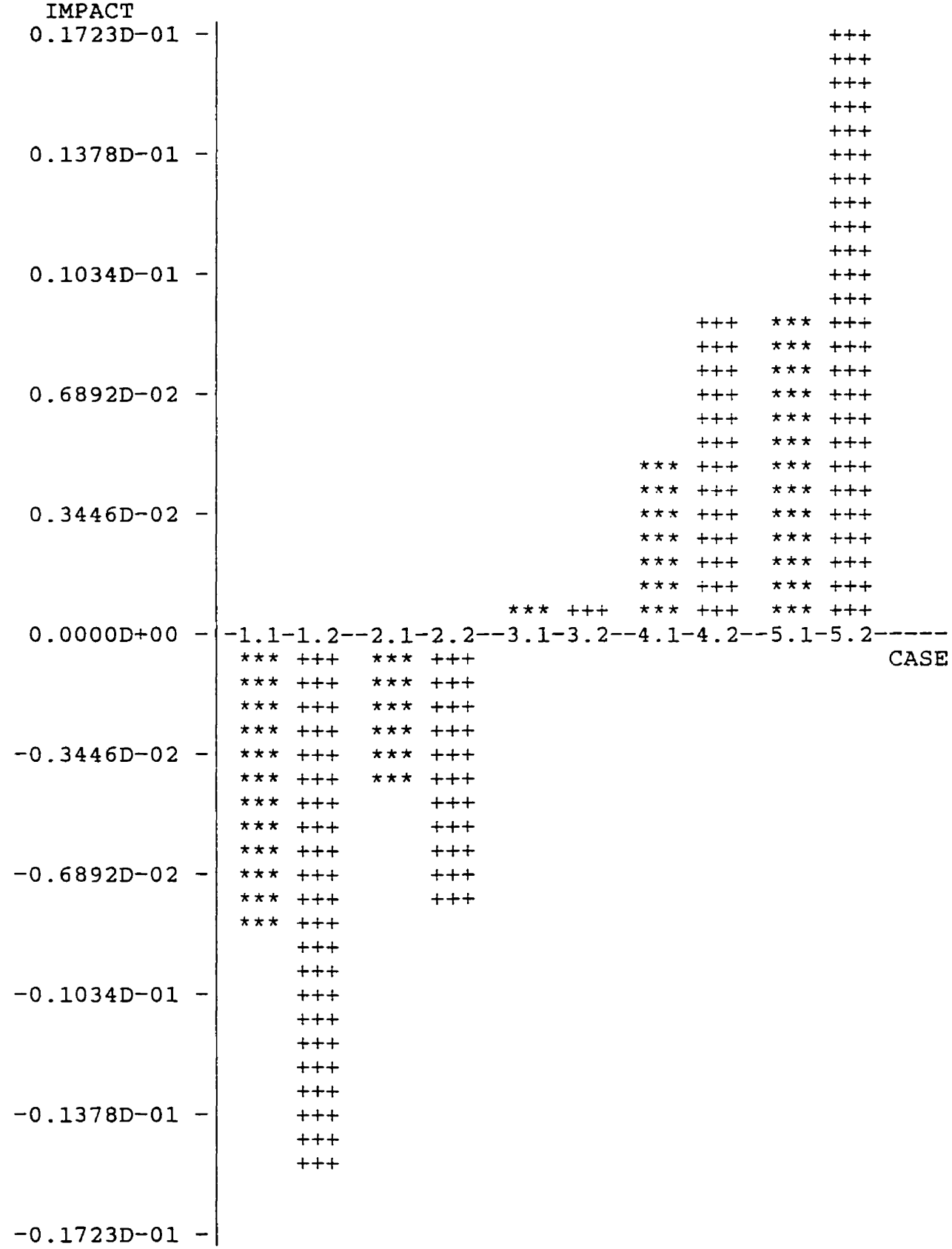


FIGURE E.5 : DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON RATE OF INFLATION, CONSUMER EXPENDITURE, 1977:1-1979:4

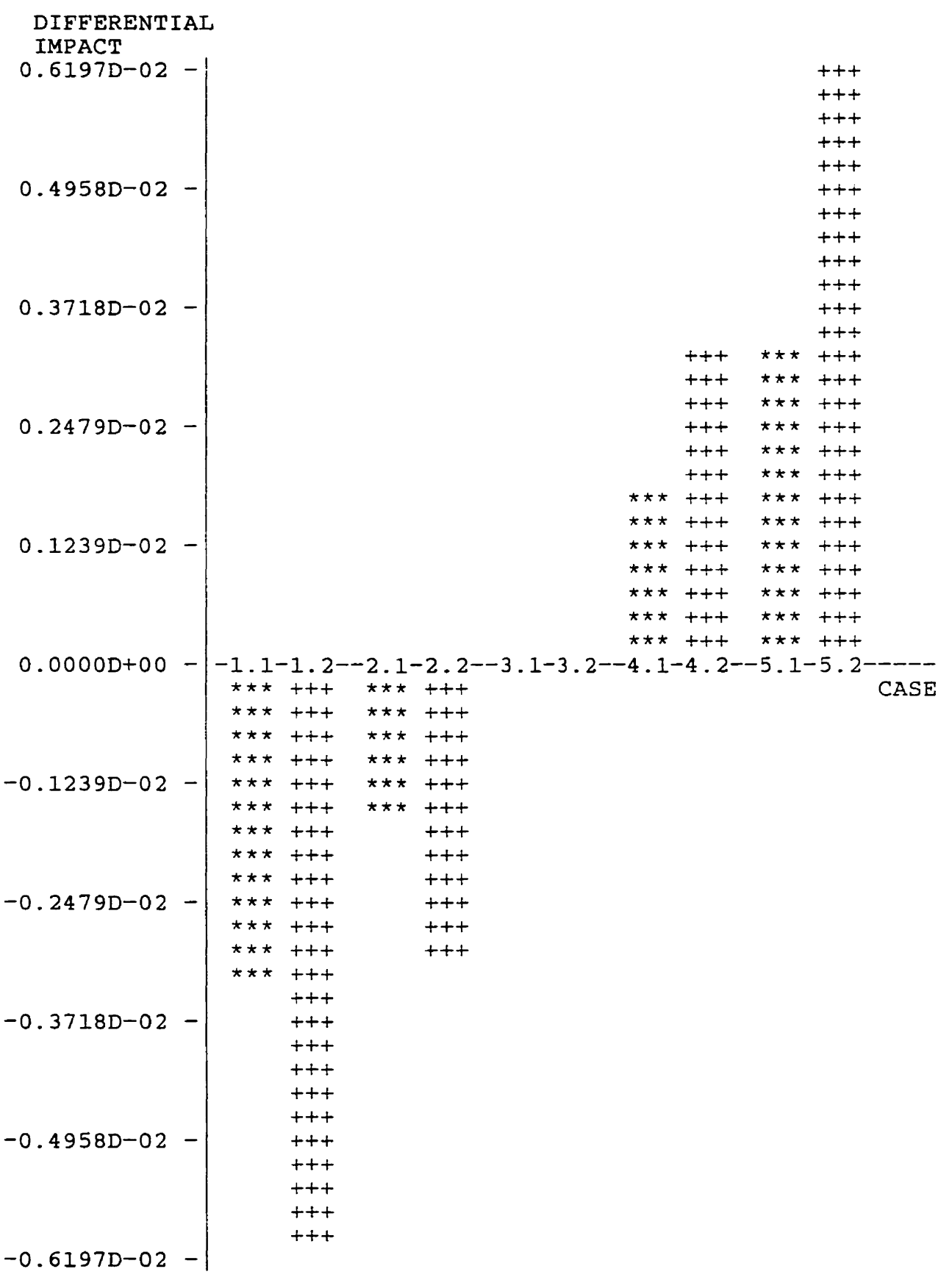


FIGURE E.6 : DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON LABOUR SHARE, 1977:1-1979:4

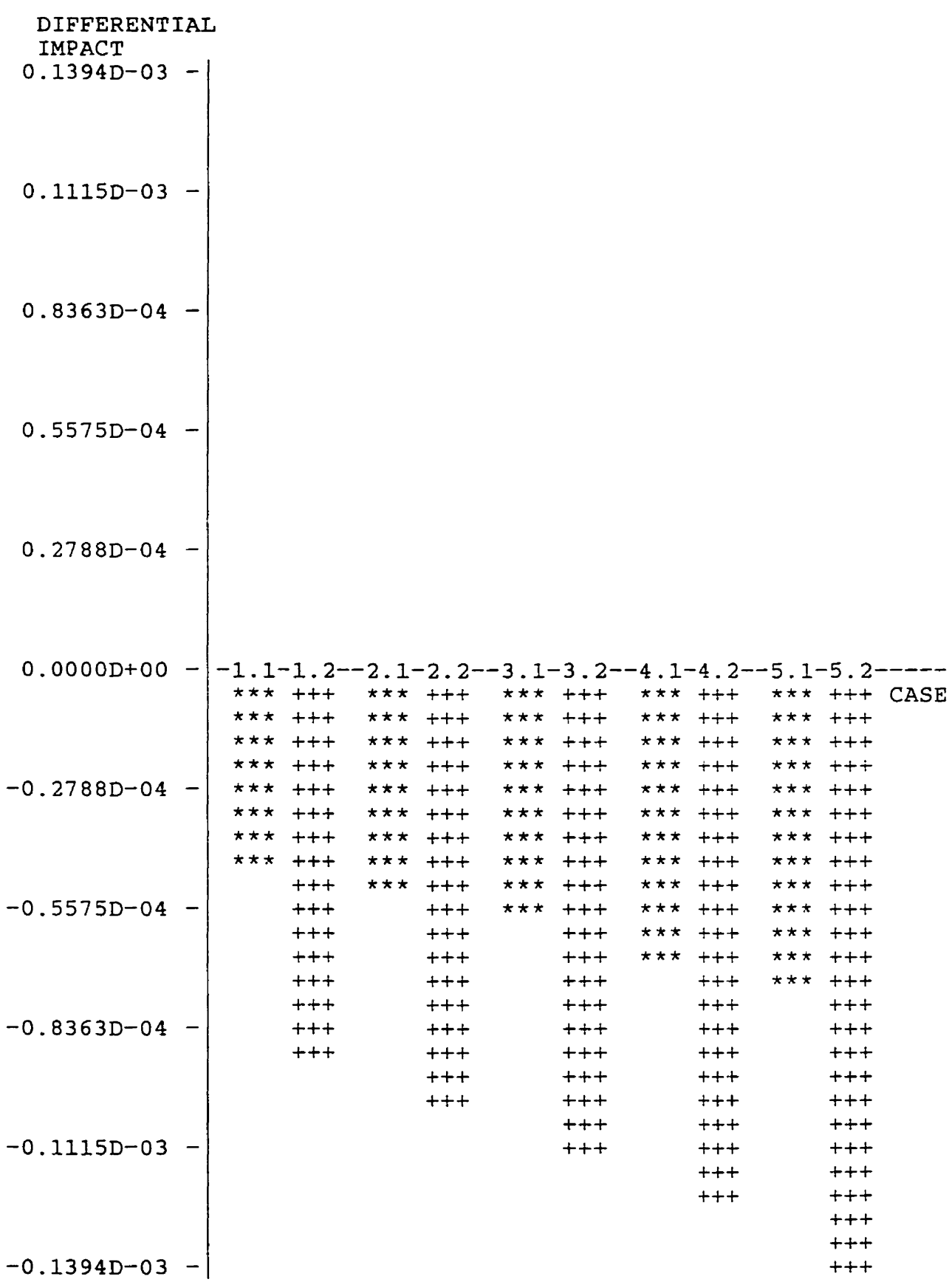


FIGURE E.7 : DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON PERSONAL INCOME TAX IN CURRENT DOLLARS, 1977:1-1979:4

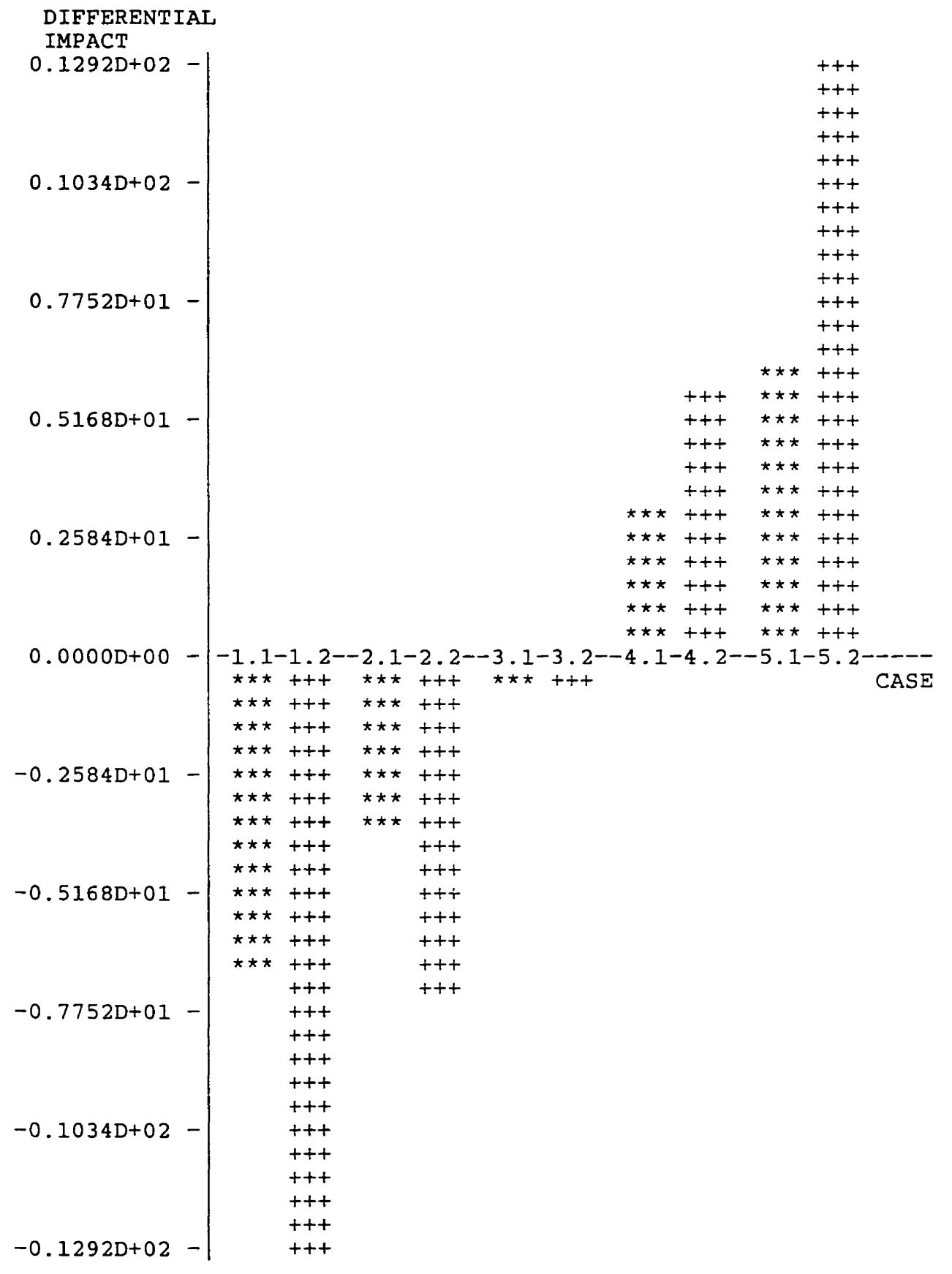


FIGURE E.8 : DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON LABOUR FORCE, 1977:1-1979:4

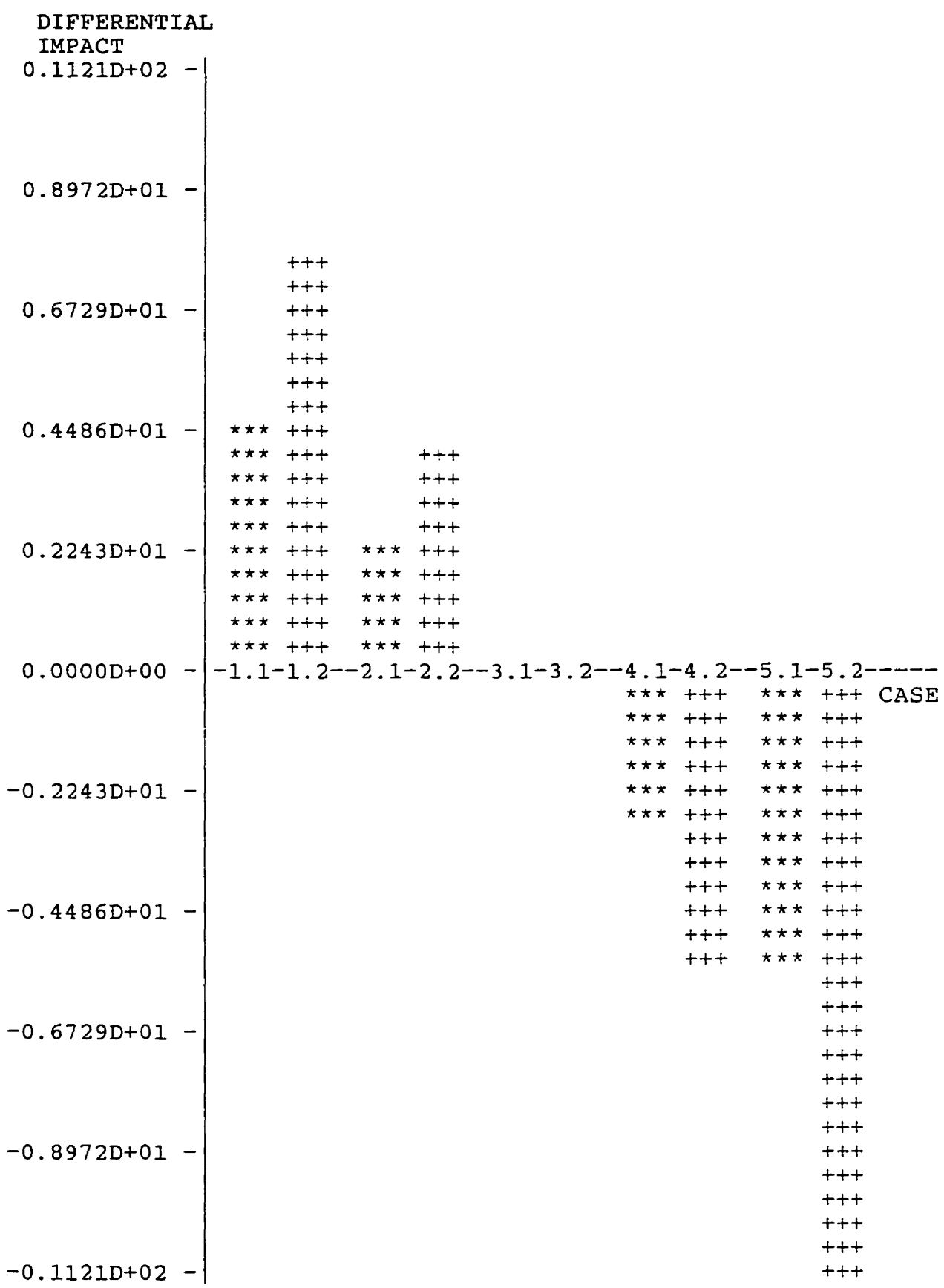


FIGURE E.9 : DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON SPOT EXCHANGE RATE, 1977:1-1979:4

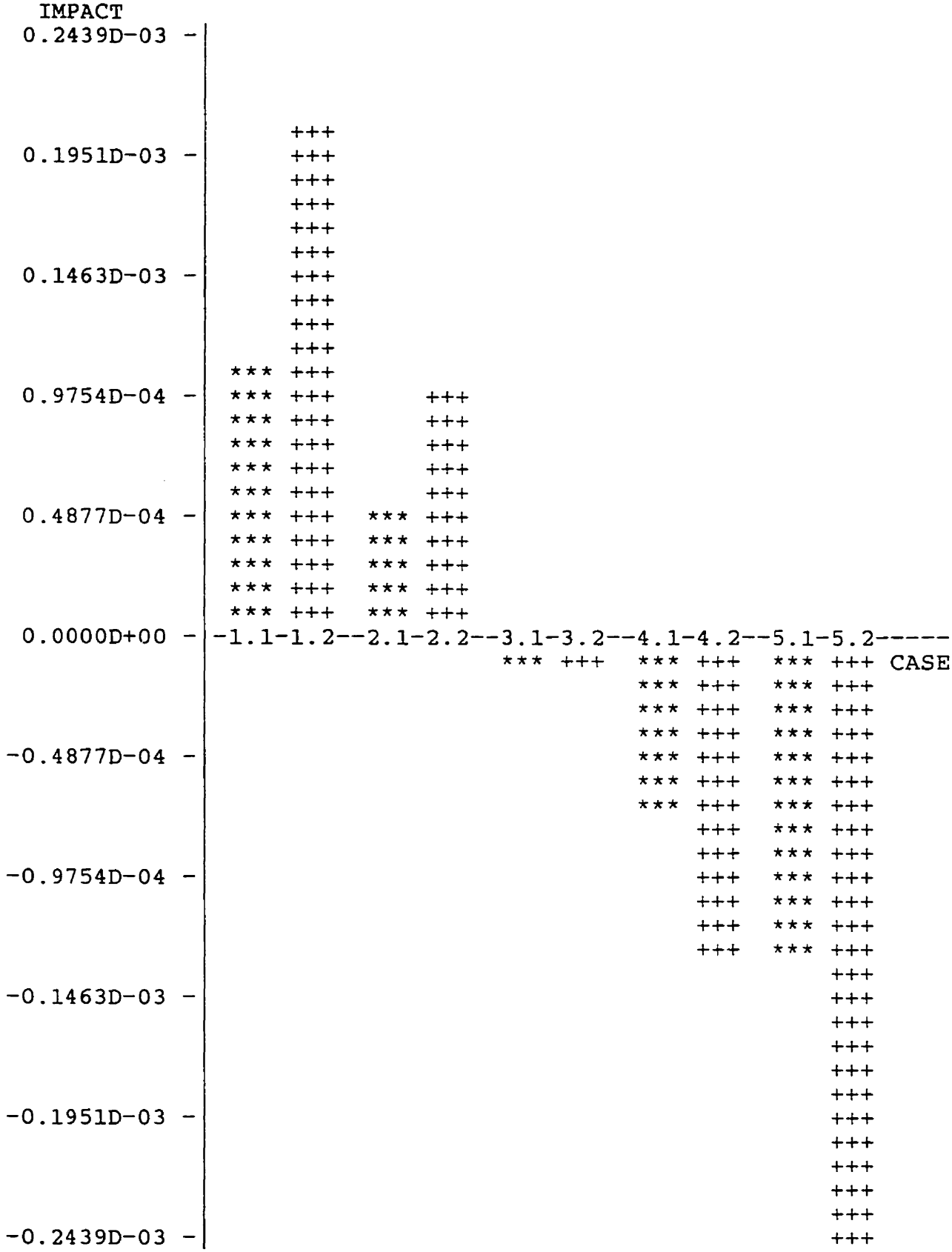


FIGURE E.10: DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON CONSUMER EXPENDITURE, TOTAL, 1977:1-1979:4

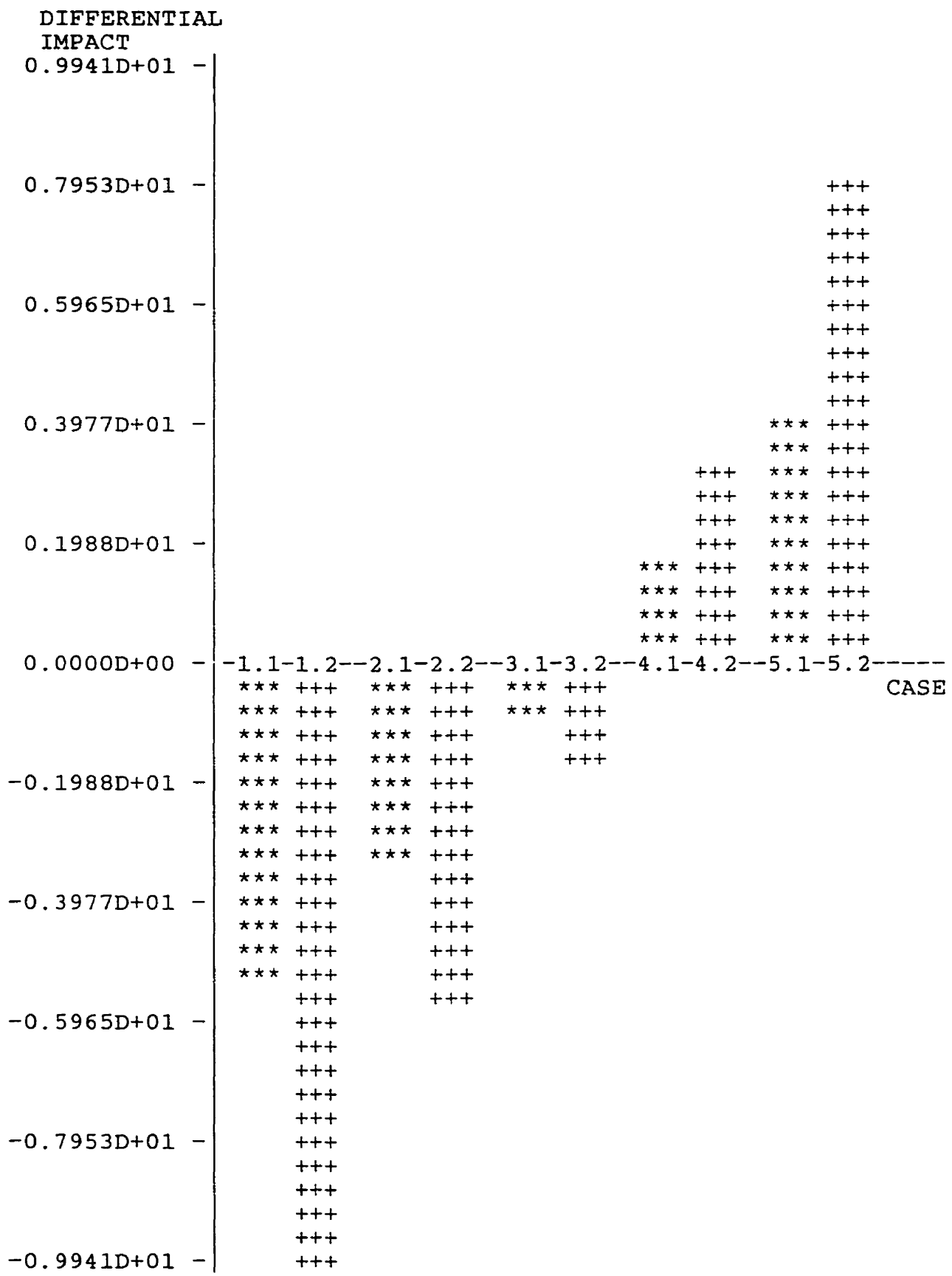


FIGURE E.11: DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON INVESTMENT, TOTAL, 1977:1-1979:4

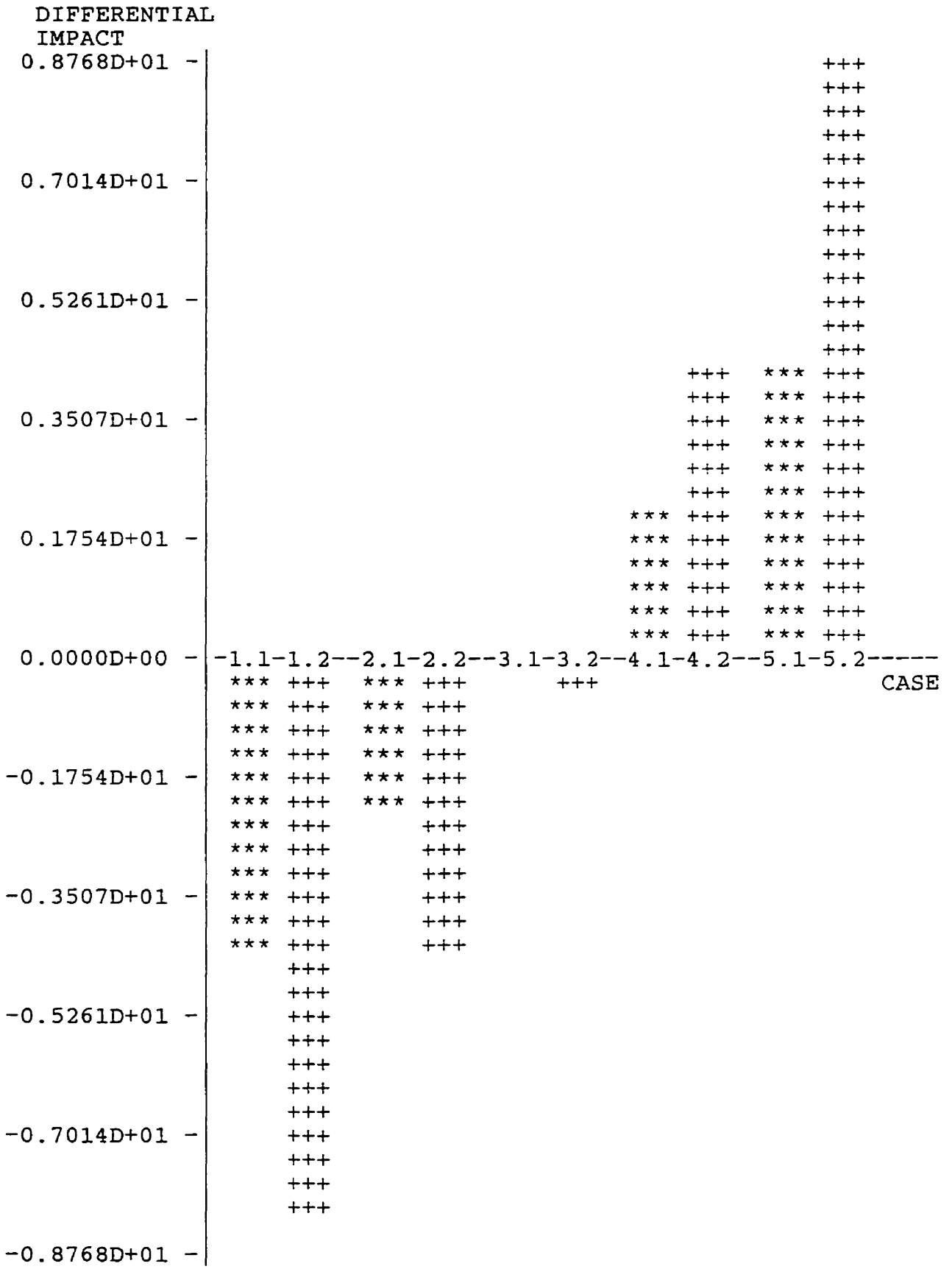


FIGURE F.1 : DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON GNP GAP, 1980:2-1983:1

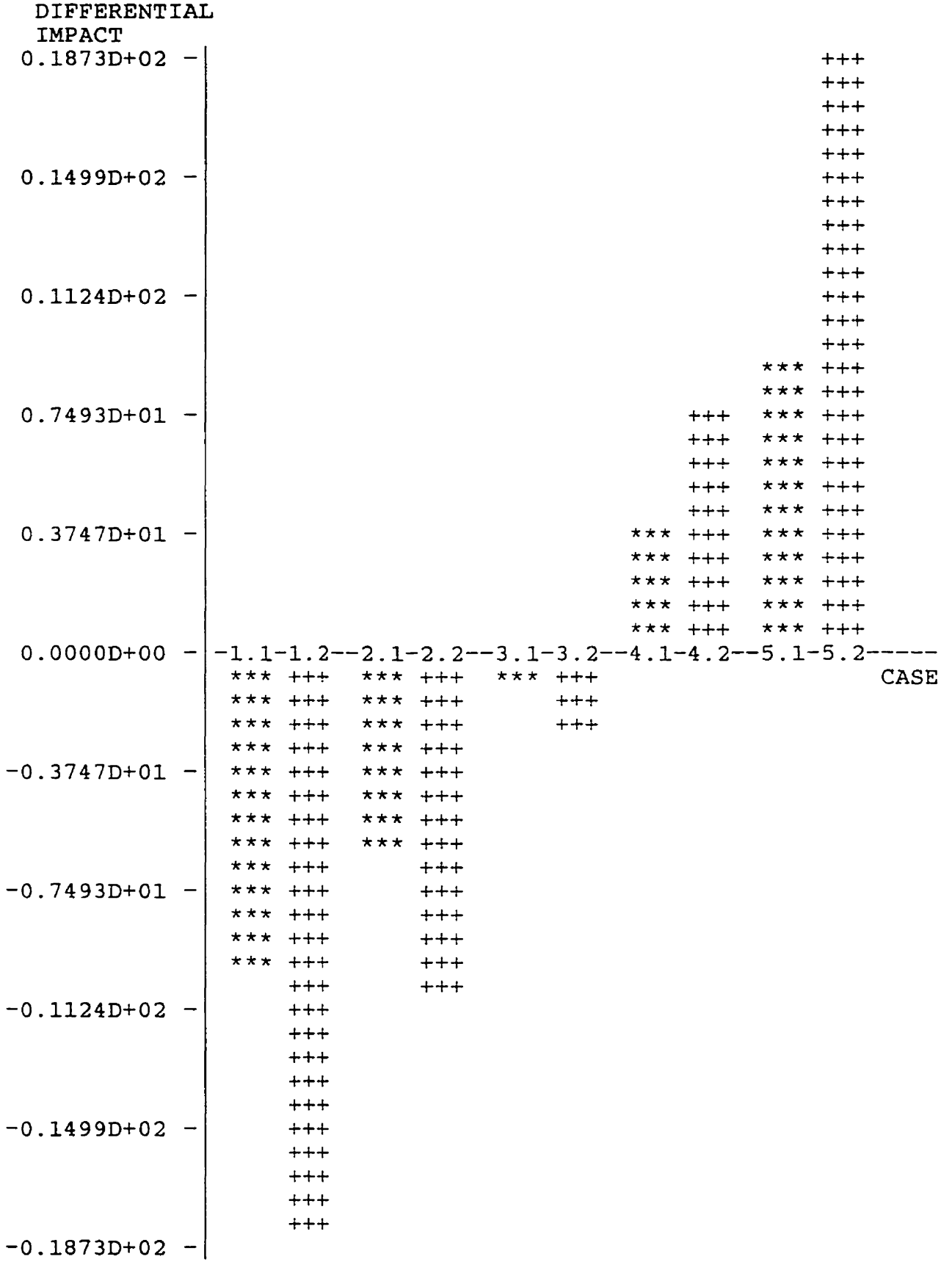


FIGURE F.2 : DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON GNP, 1980:2-1983:1

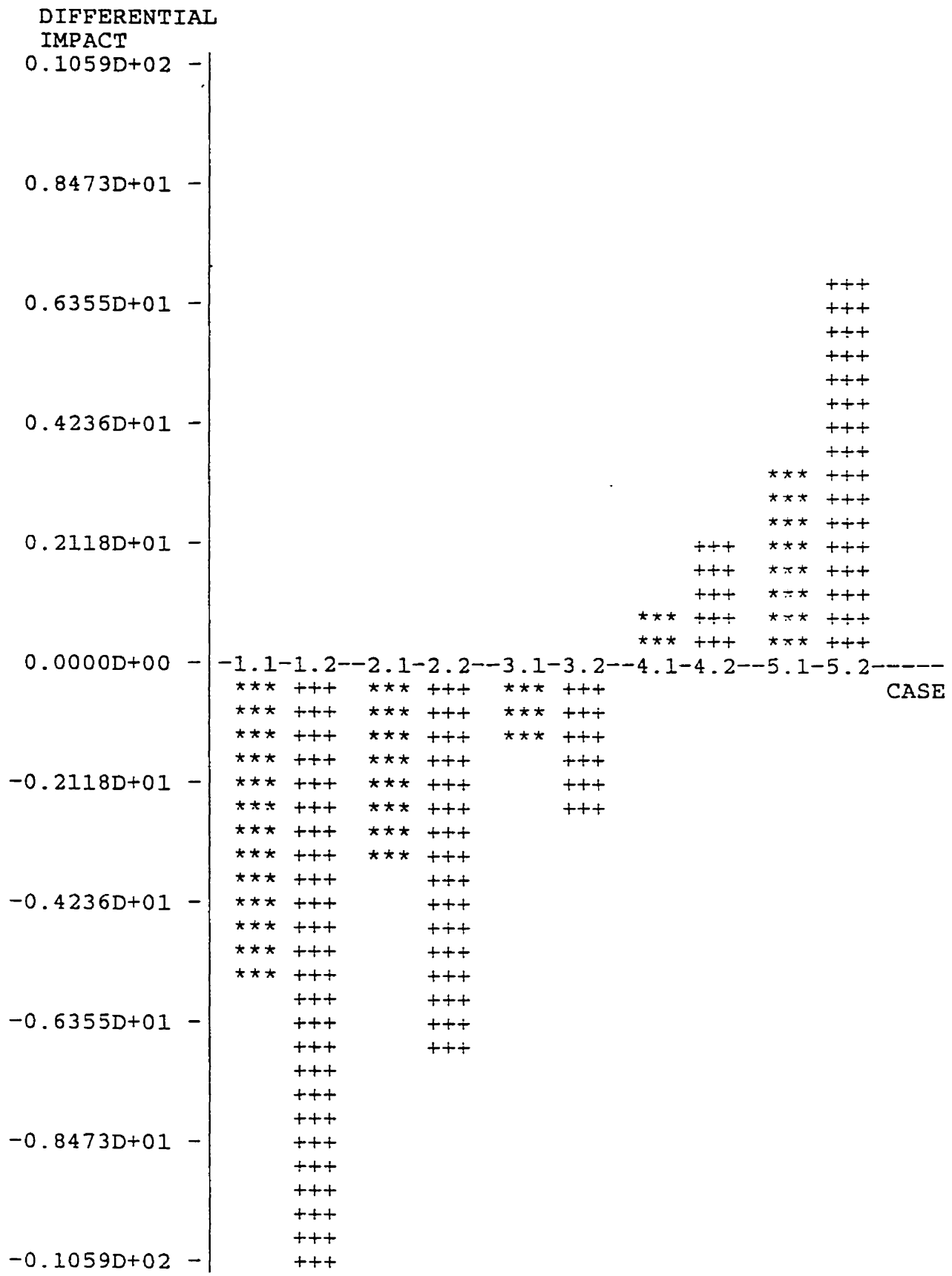


FIGURE F.3 : DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON EMPLOYMENT, 1980:2-1983:1

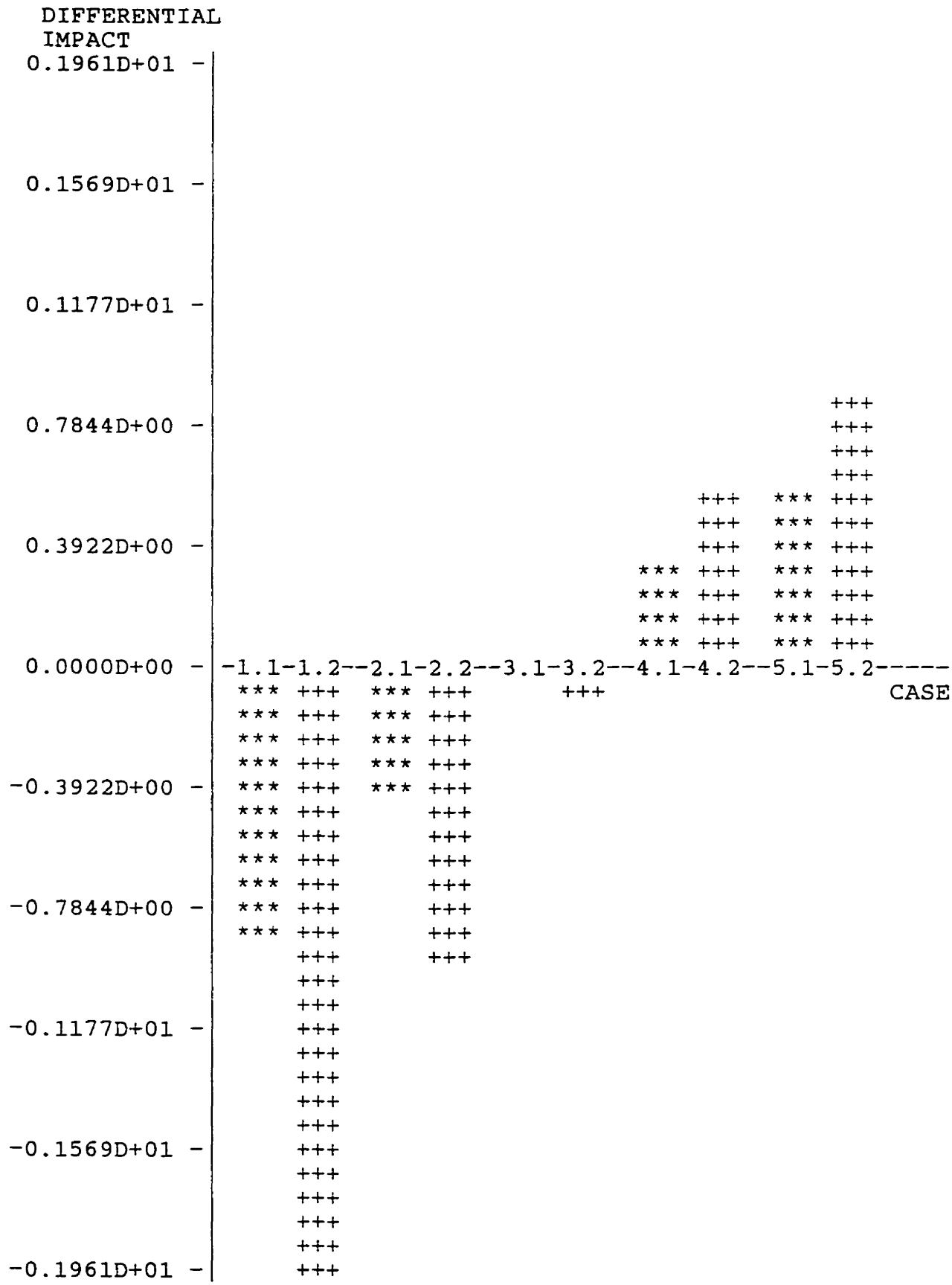


FIGURE F.4 : DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON RATE OF INFLATION, GNP, 1980:2-1983:1

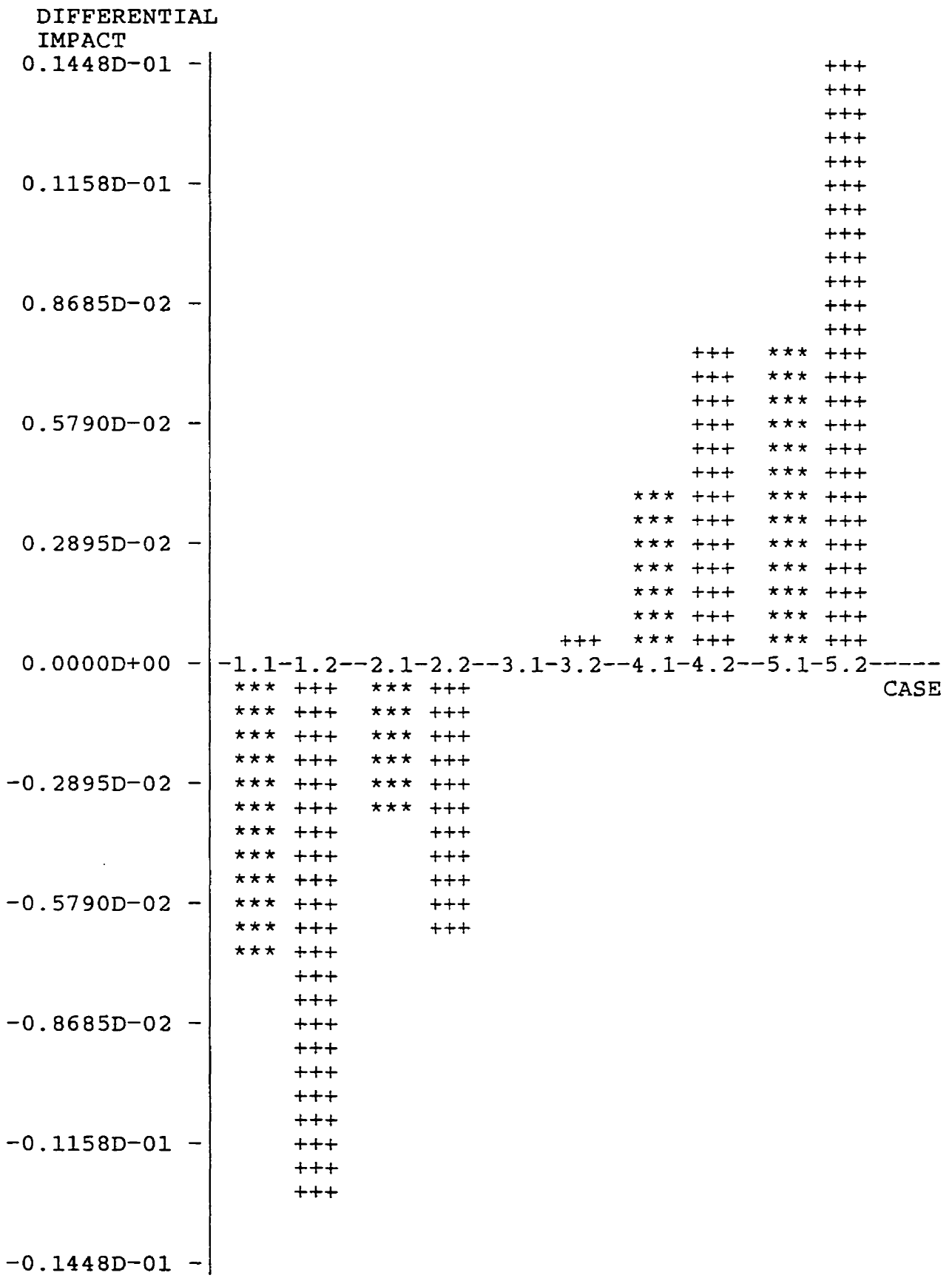


FIGURE F.5 : DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON RATE OF INFLATION, CONSUMER EXPENDITURE, 1980:2-1983:1

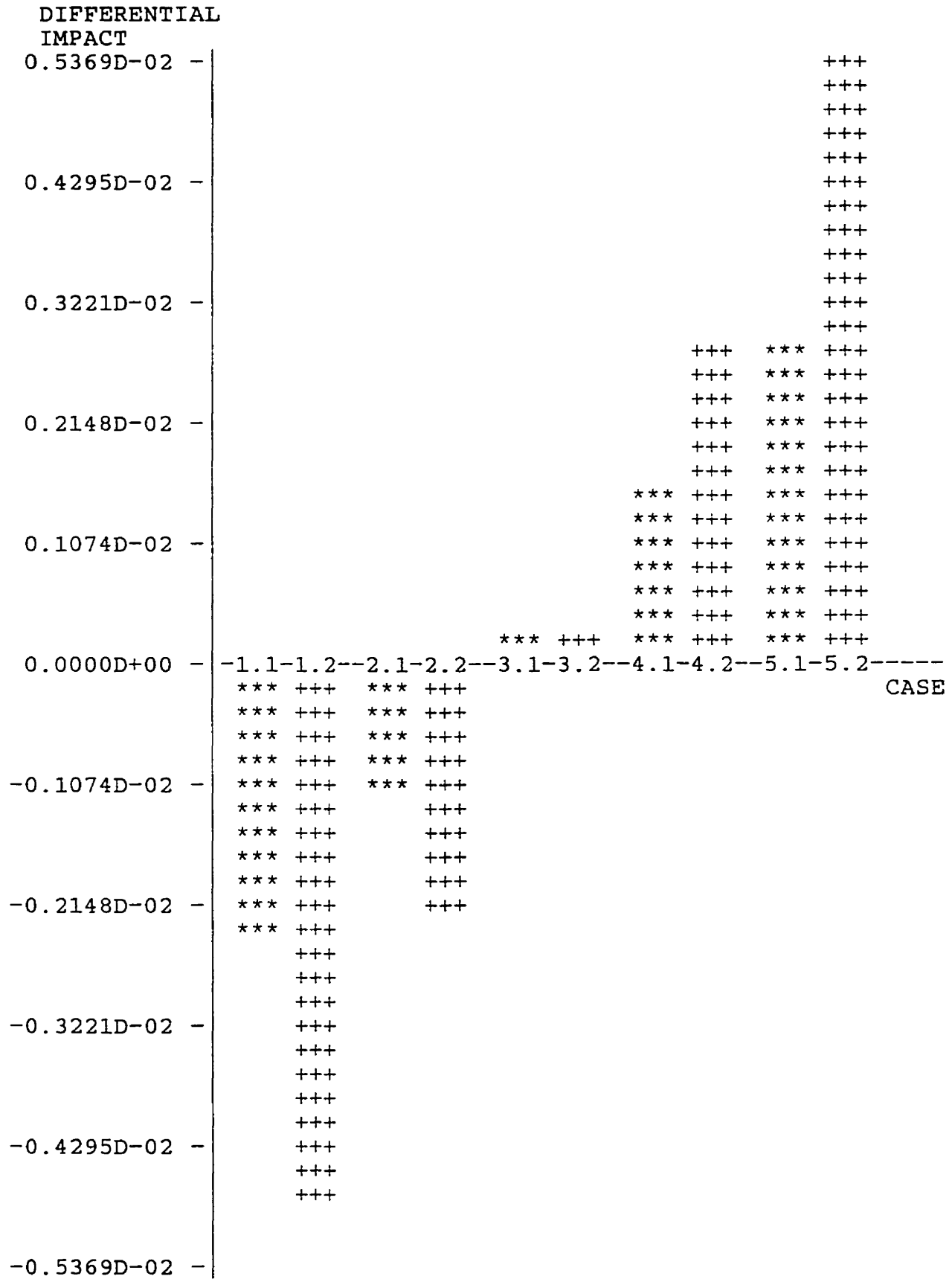


FIGURE F.6 : DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON LABOUR SHARE, 1980:2-1983:1

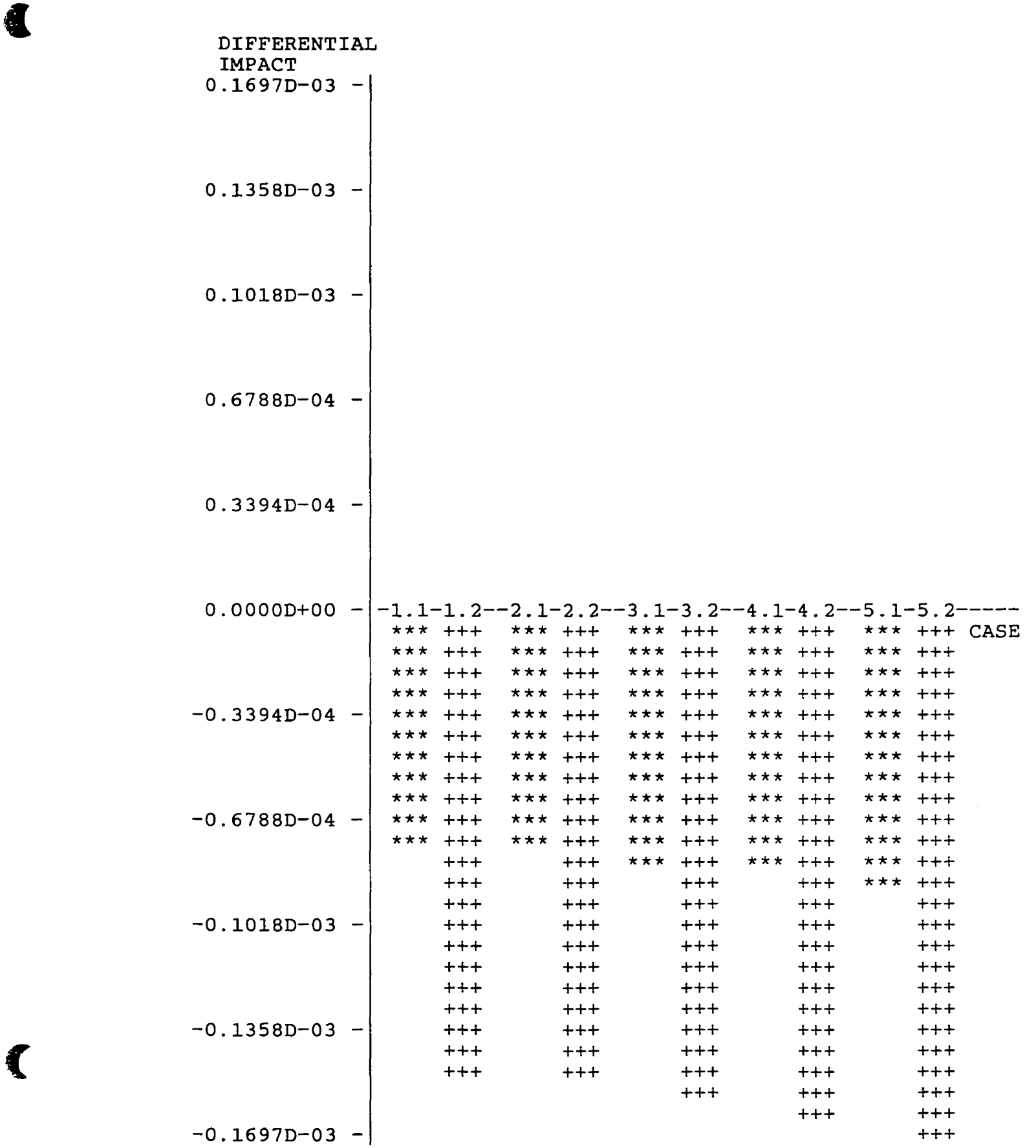


FIGURE F.7 : DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON PERSONAL INCOME TAX IN CURRENT DOLLARS, 1980:2-1983:1

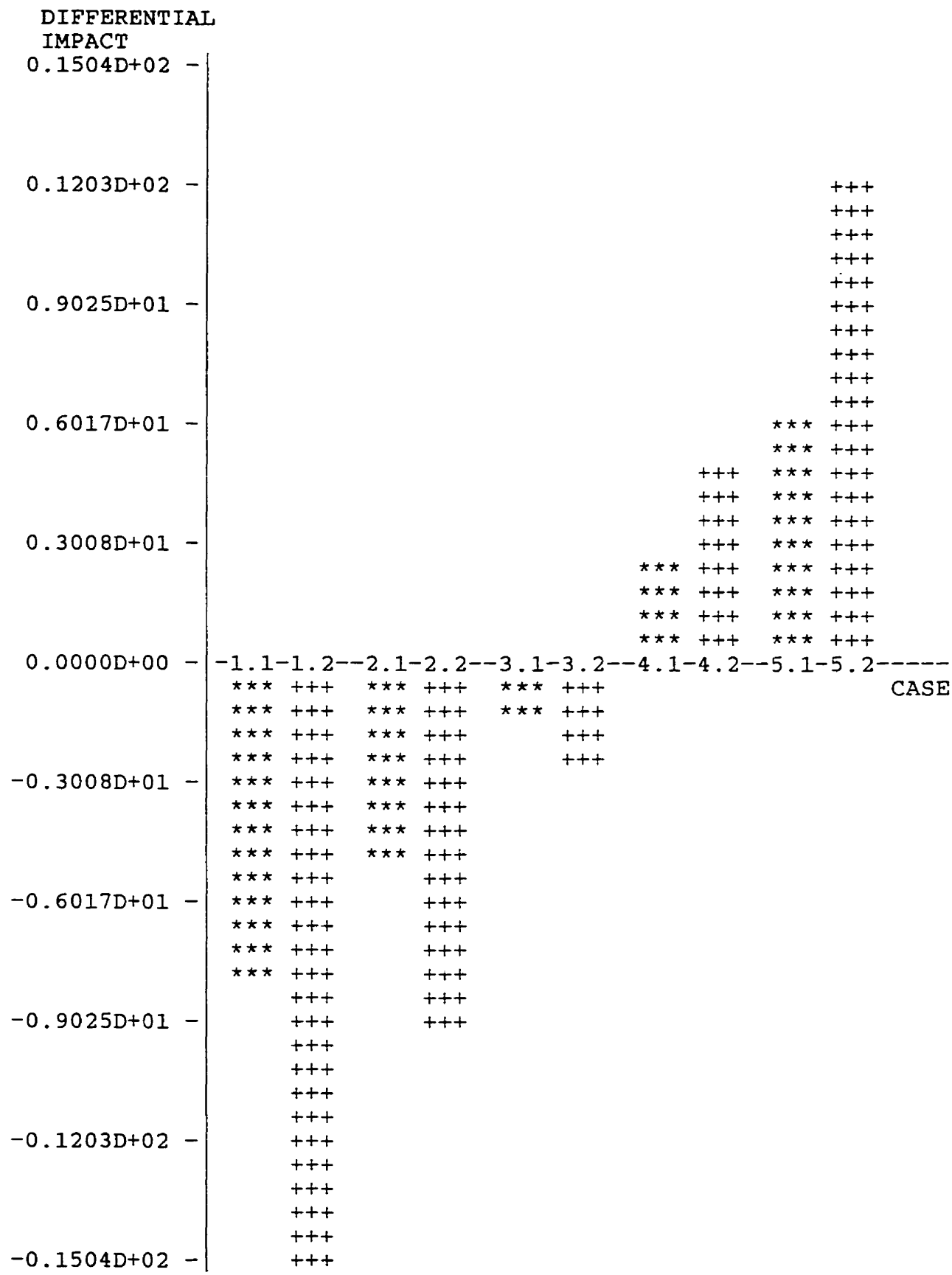


FIGURE F.8 : DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON LABOUR FORCE, 1980:2-1983:1

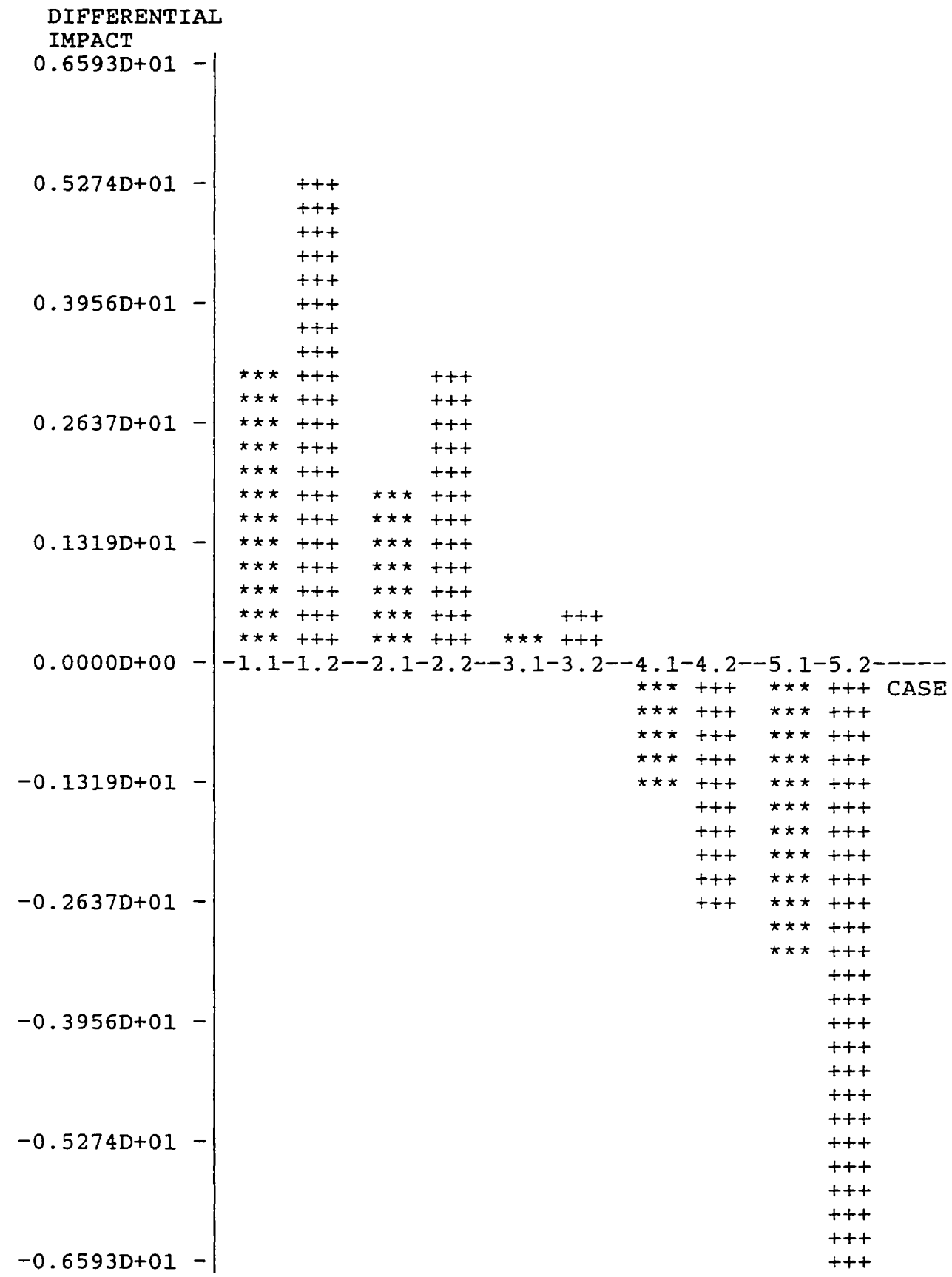


FIGURE F.9 : DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON SPOT EXCHANGE RATE, 1980:2-1983:1

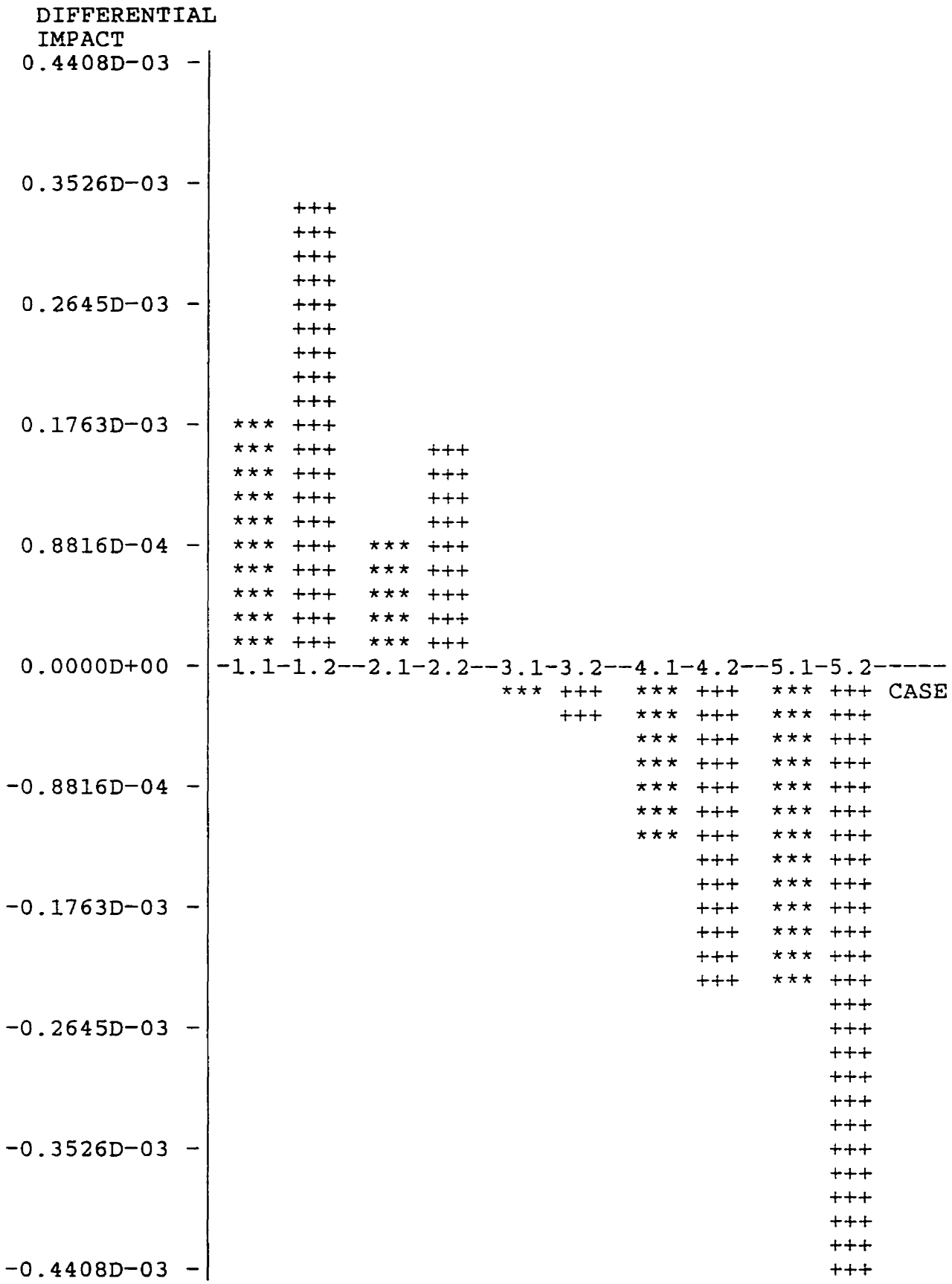


FIGURE F.10: DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON CONSUMER EXPENDITURE, TOTAL, 1980:2-1983:1

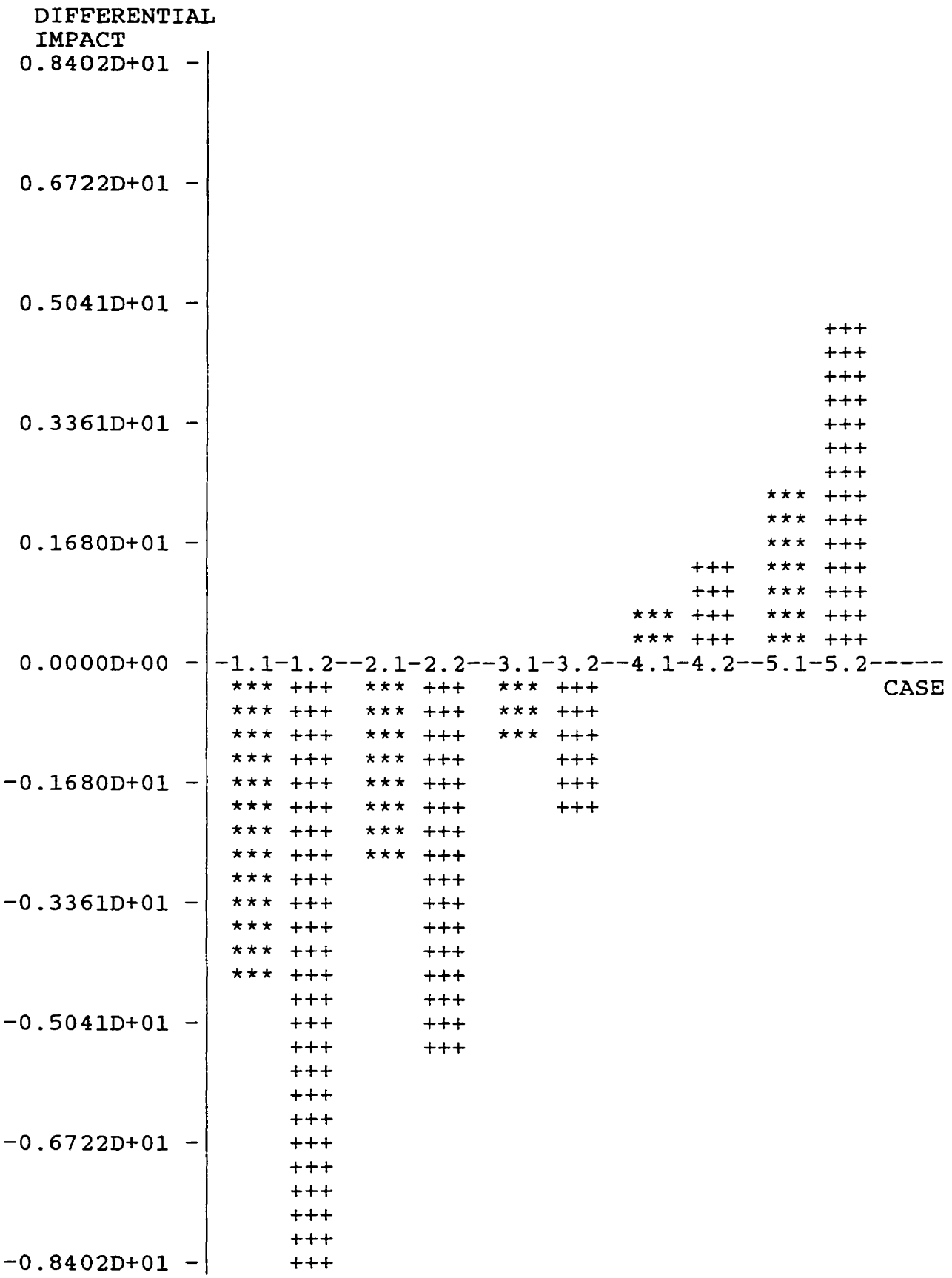


FIGURE F.11: DIFFERENTIAL IMPACT OF A WAGE-GROWTH SHOCK ON INVESTMENT, TOTAL, 1980:2-1983:1

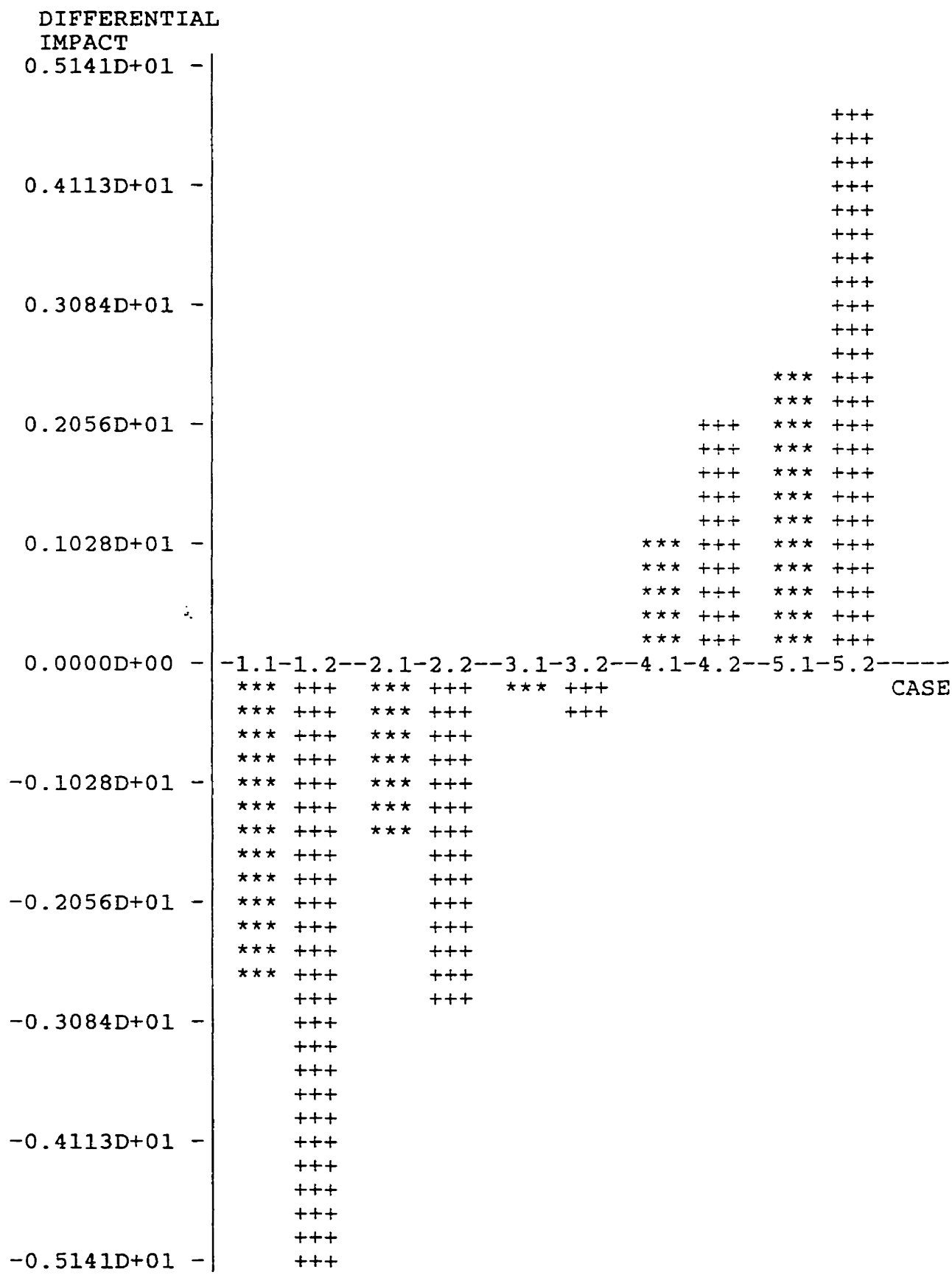


FIGURE G.1 : DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON GNP GAP, 1973:4-1976:3

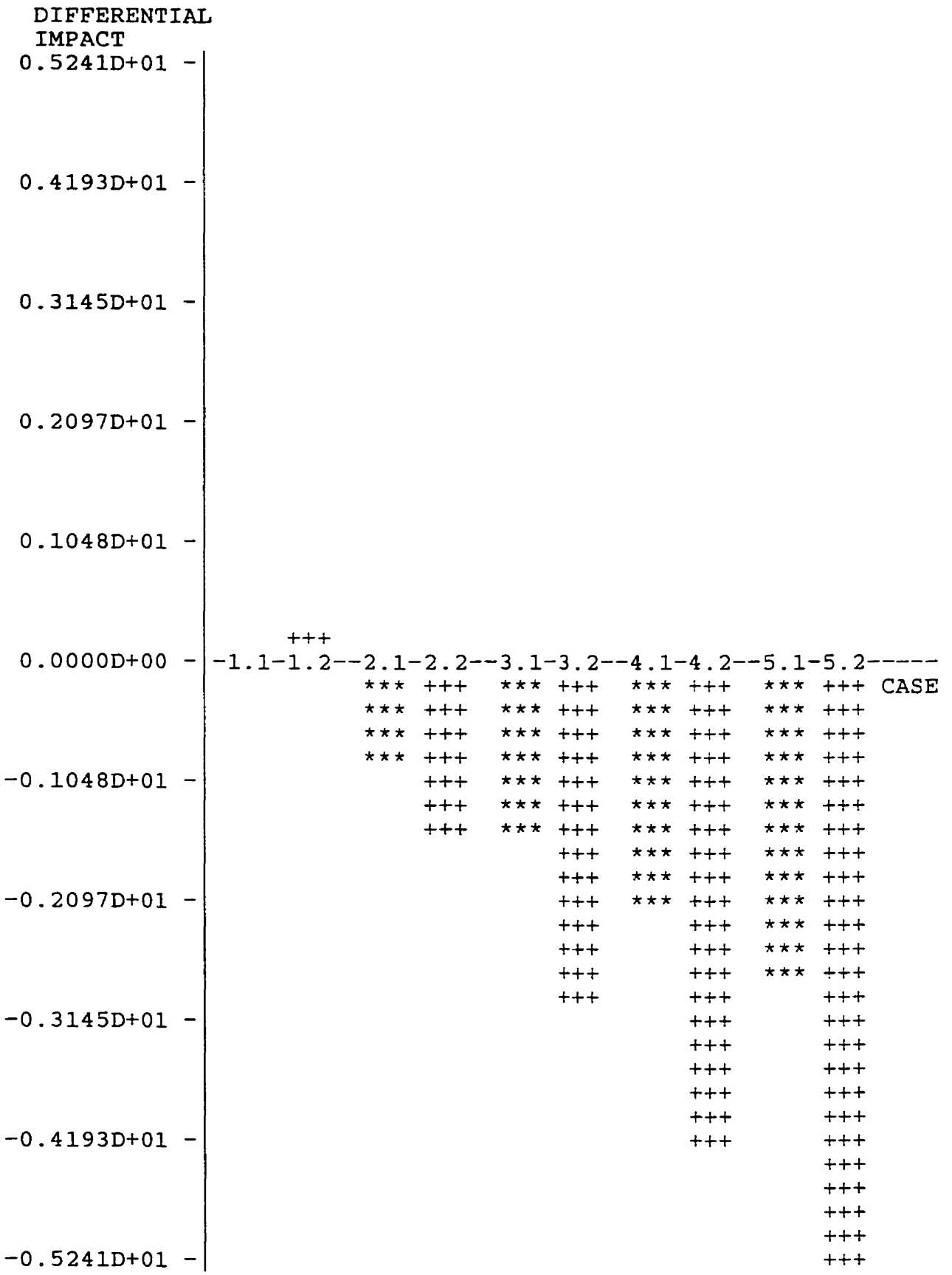


FIGURE G.2 : DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON GNP, 1973:4-1976:3

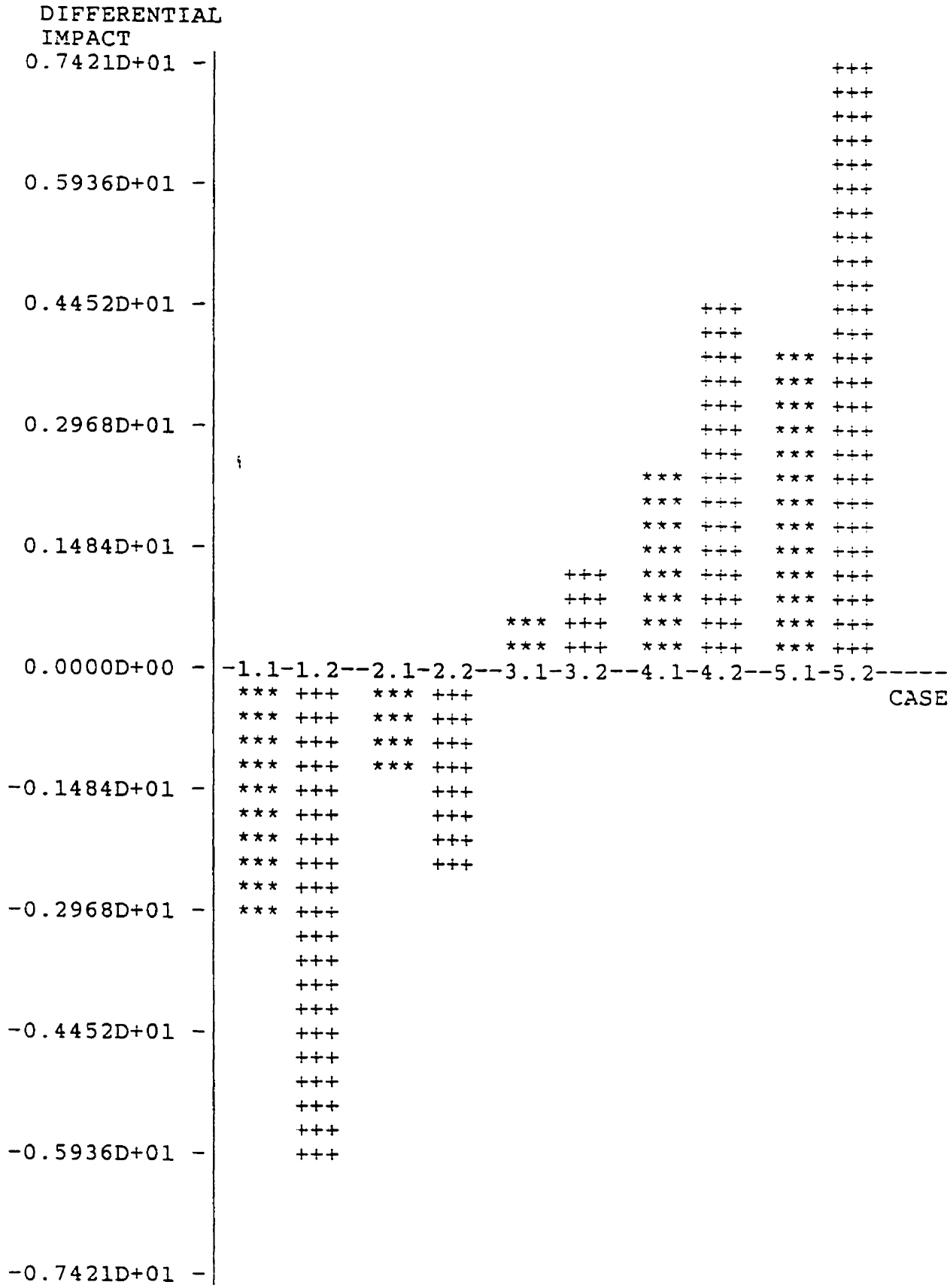


FIGURE G.3 : DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON EMPLOYMENT, 1973:4-1976:3

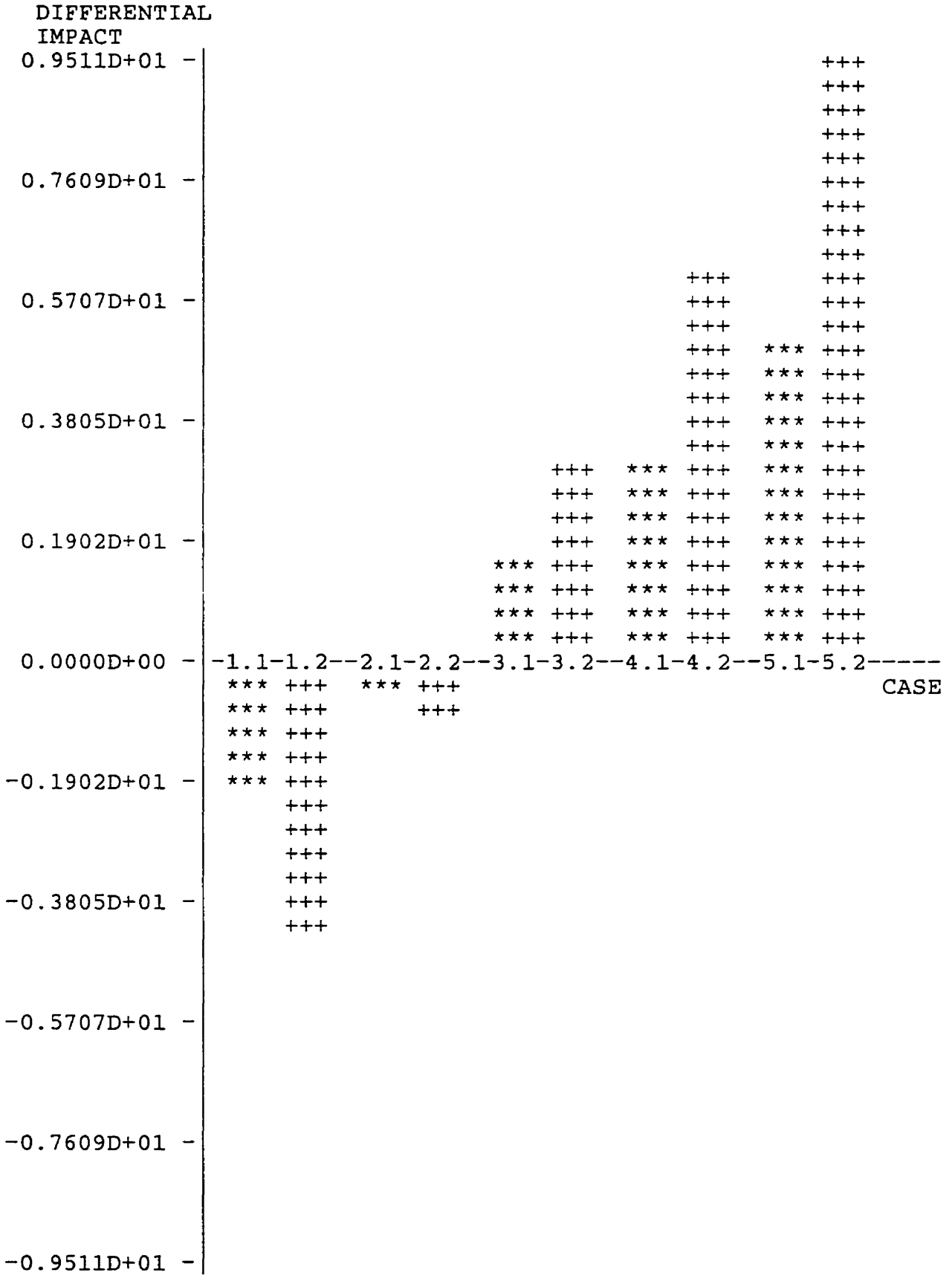


FIGURE G.4 : DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON RATE OF INFLATION, GNP, 1973:4-1976:3

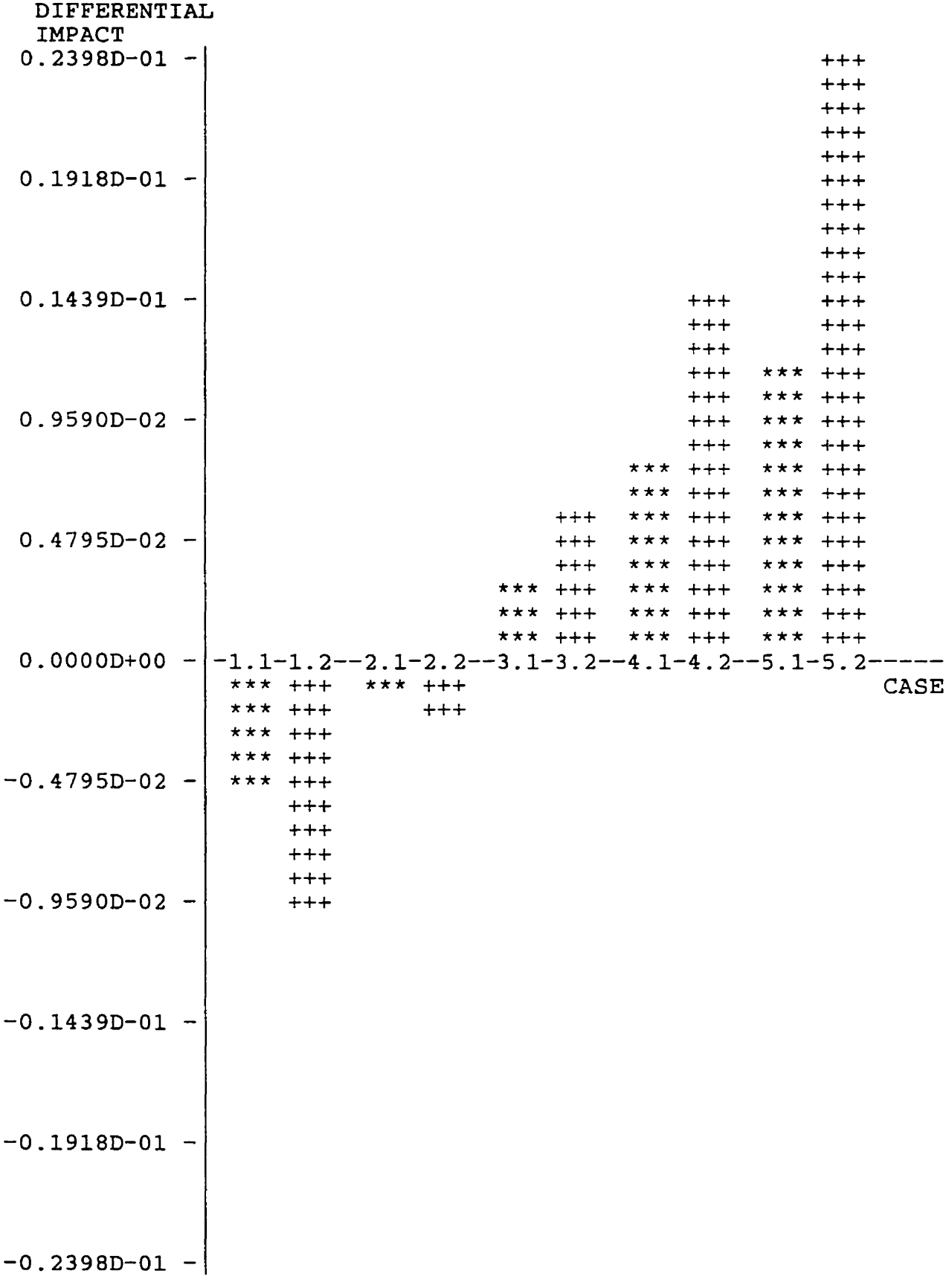


FIGURE G.5 : DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON RATE OF INFLATION, CONSUMER EXPENDITURE, 1973:4-1976:3

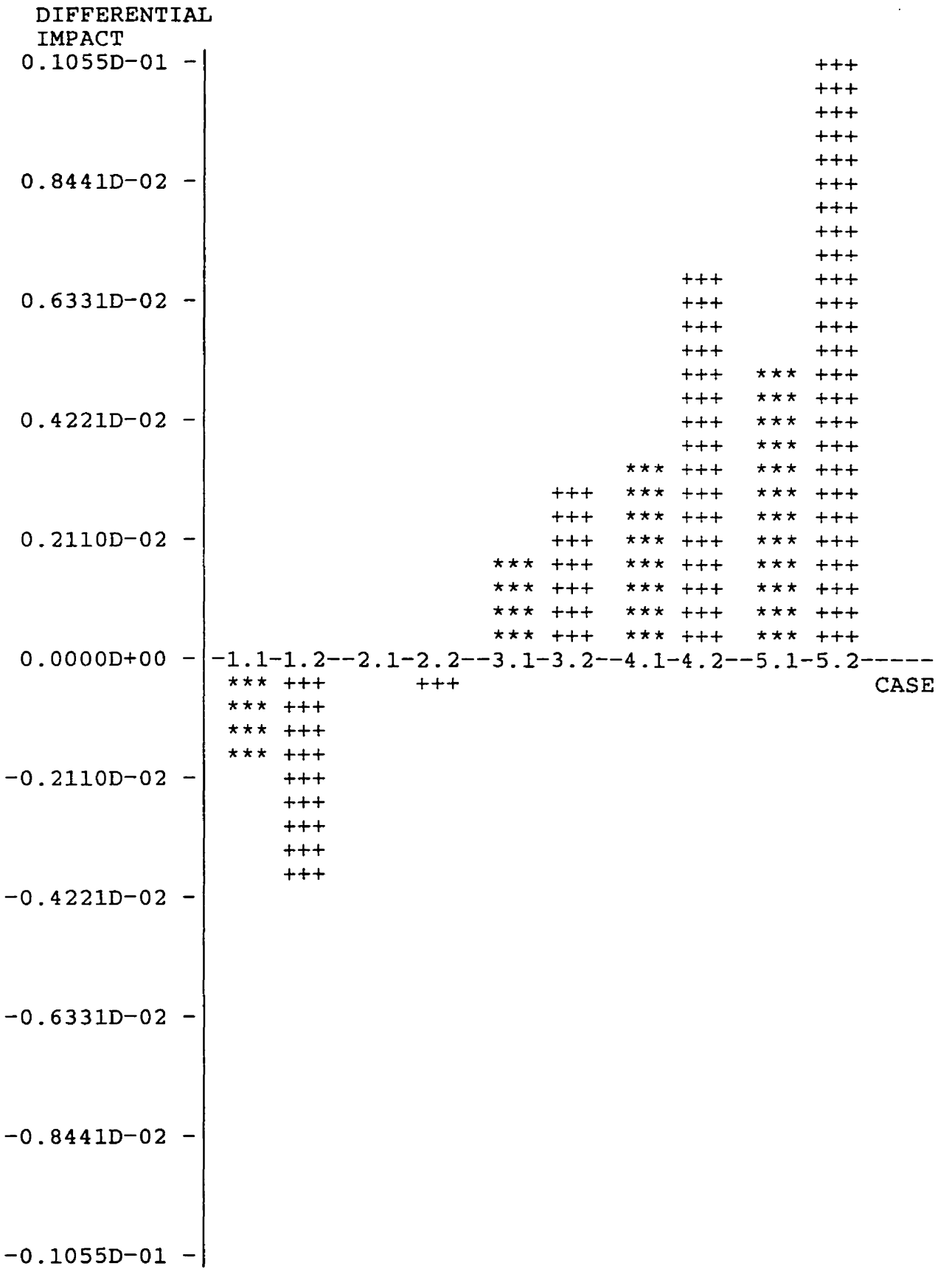


FIGURE G.6 : DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON LABOUR SHARE, 1973:4-1976:3

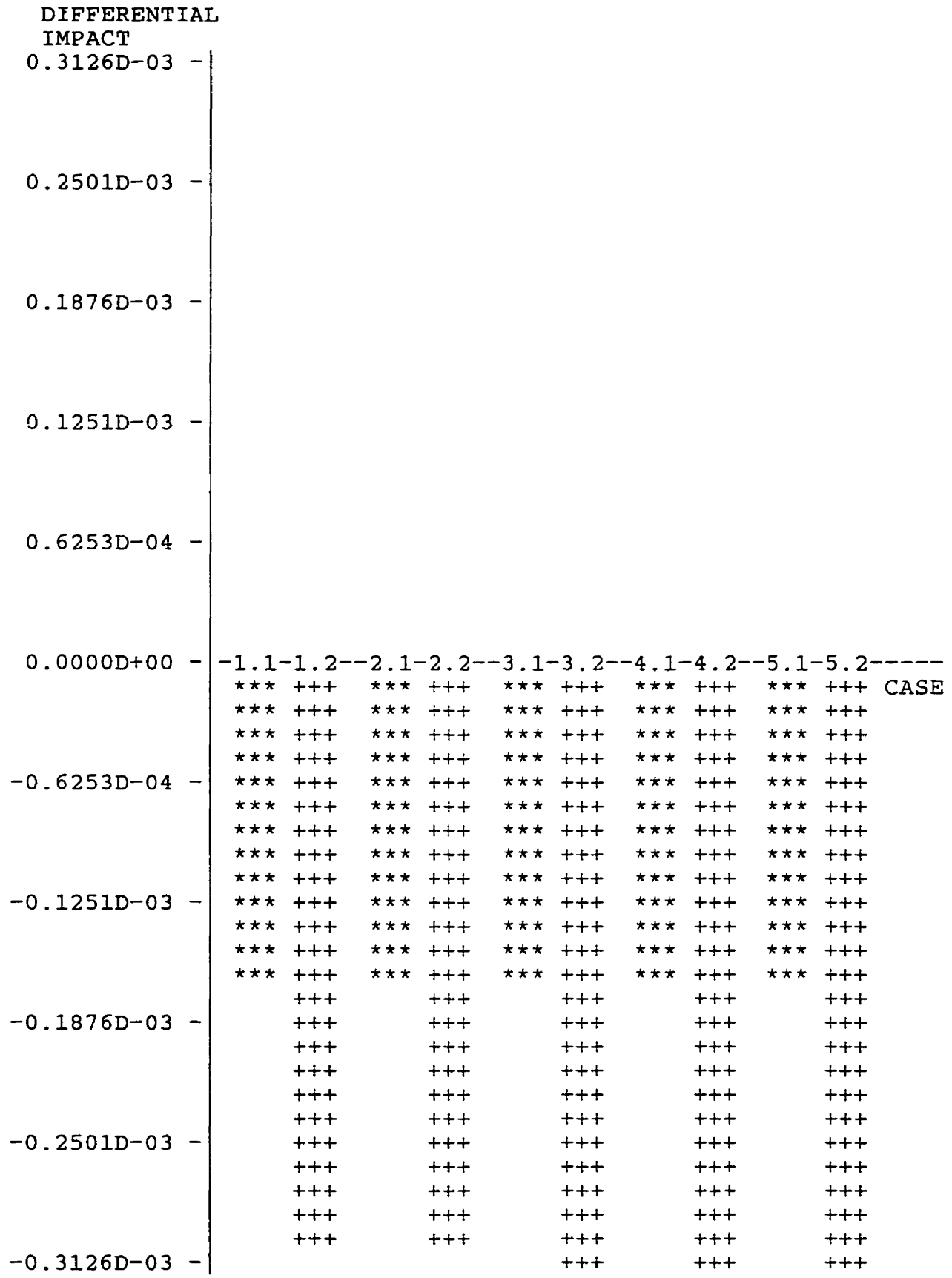


FIGURE G.7 : DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON PERSONAL INCOME TAX IN CURRENT DOLLARS, 1973:4-1976:3

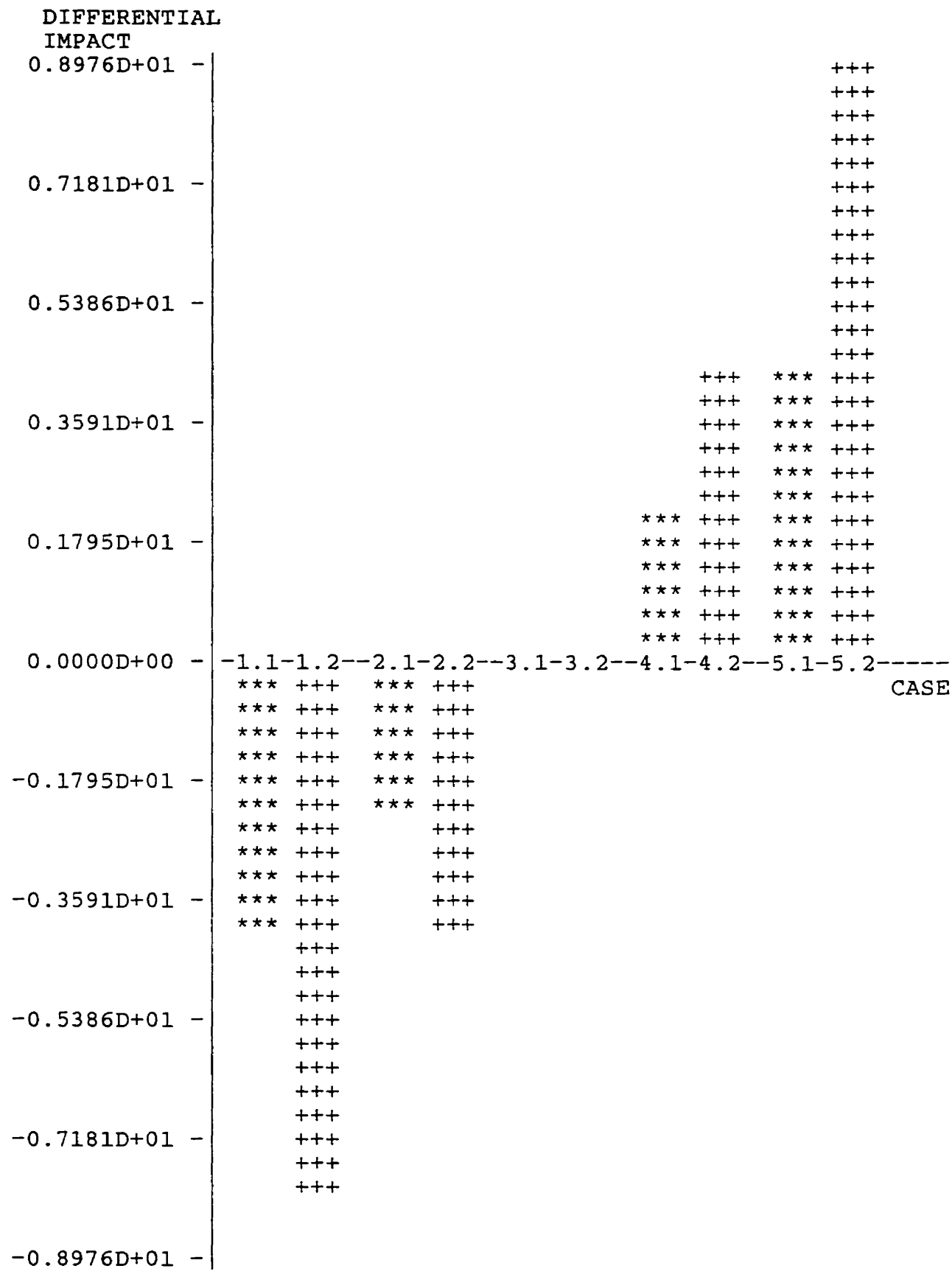


FIGURE G.8 : DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON LABOUR FORCE, 1973:4-1976:3

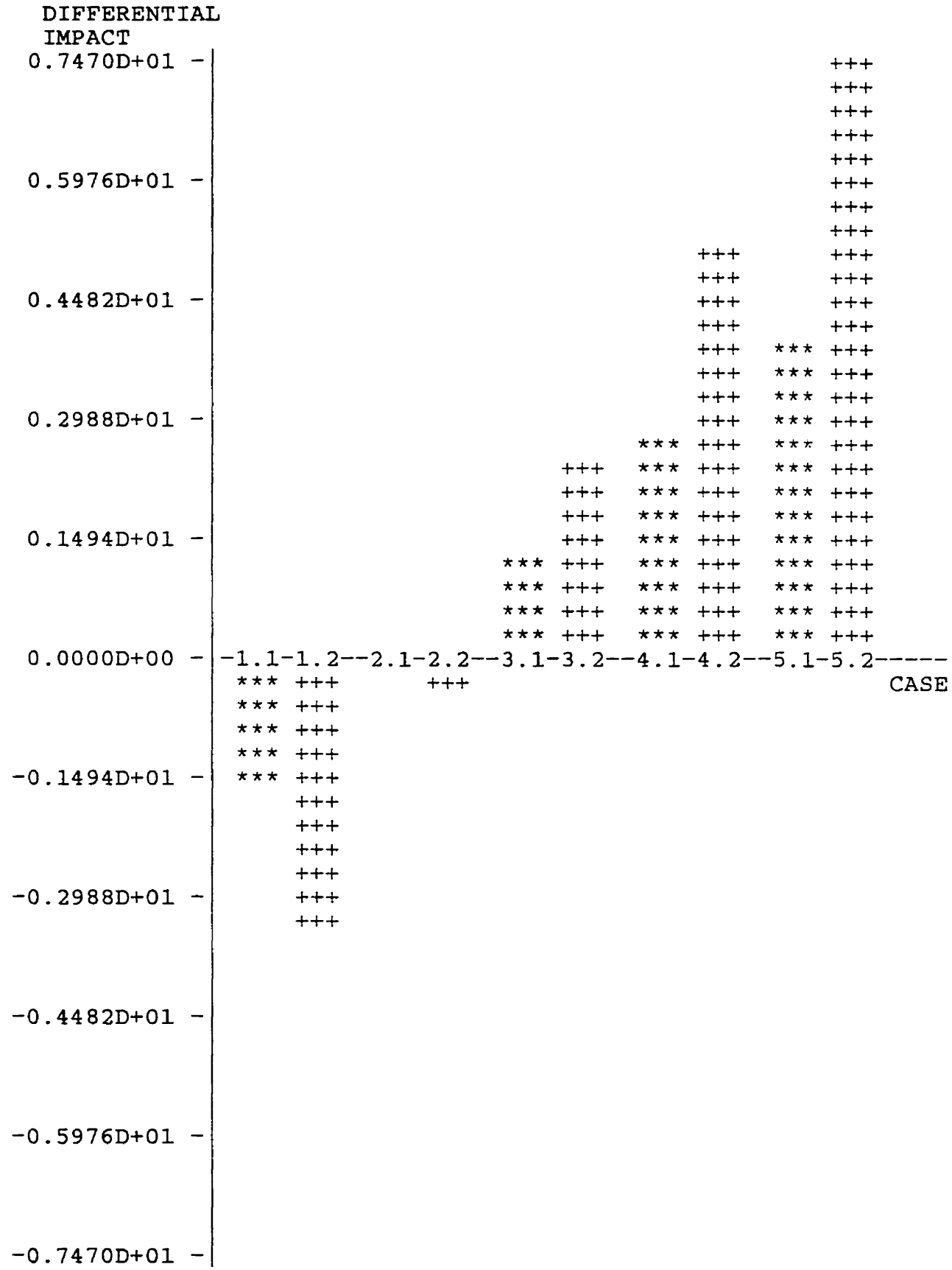


FIGURE G.9 : DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON SPOT EXCHANGE RATE, 1973:4-1976:3

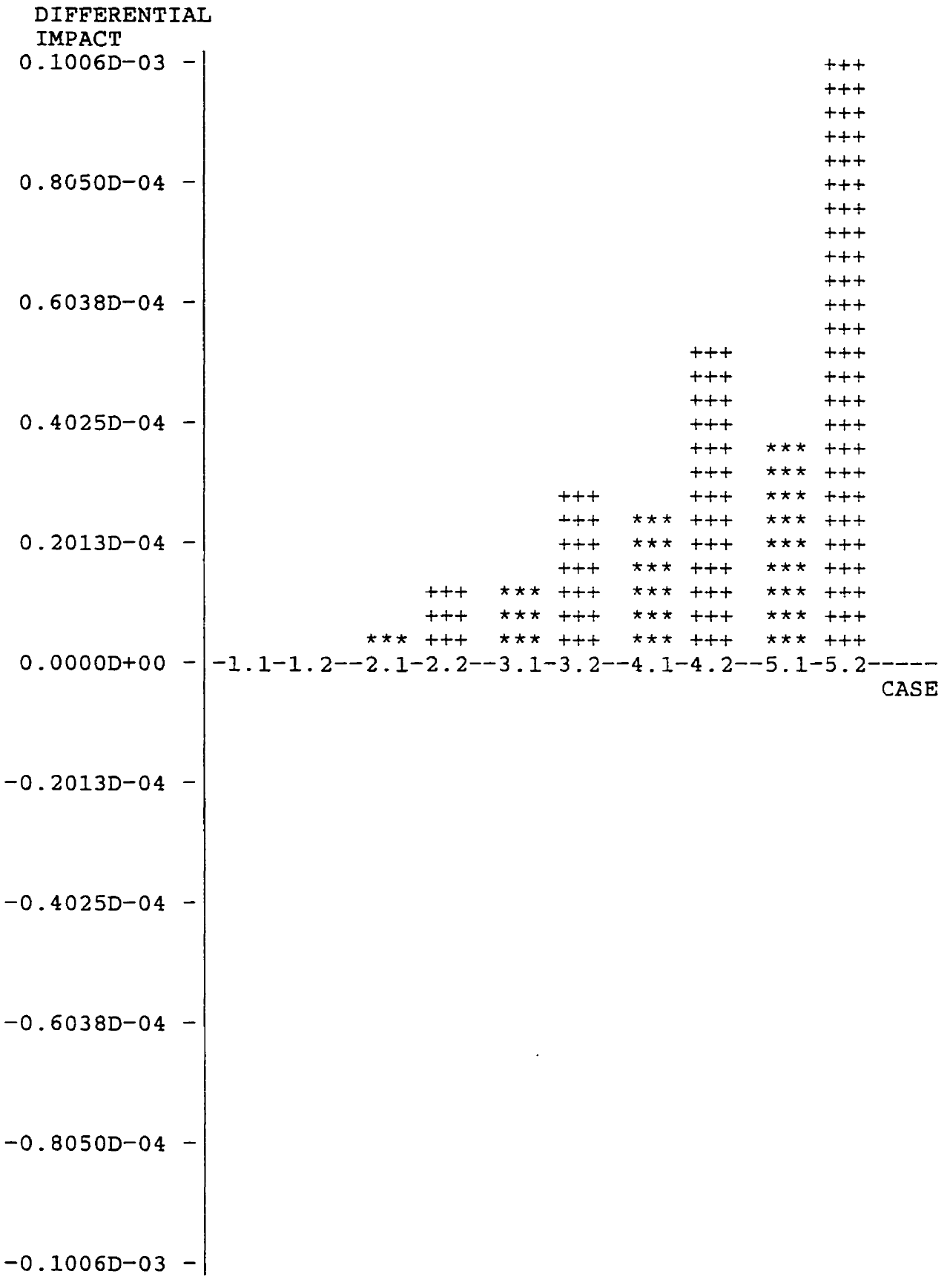


FIGURE G.10: DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON CONSUMER EXPENDITURE, TOTAL, 1973:4-1976:3

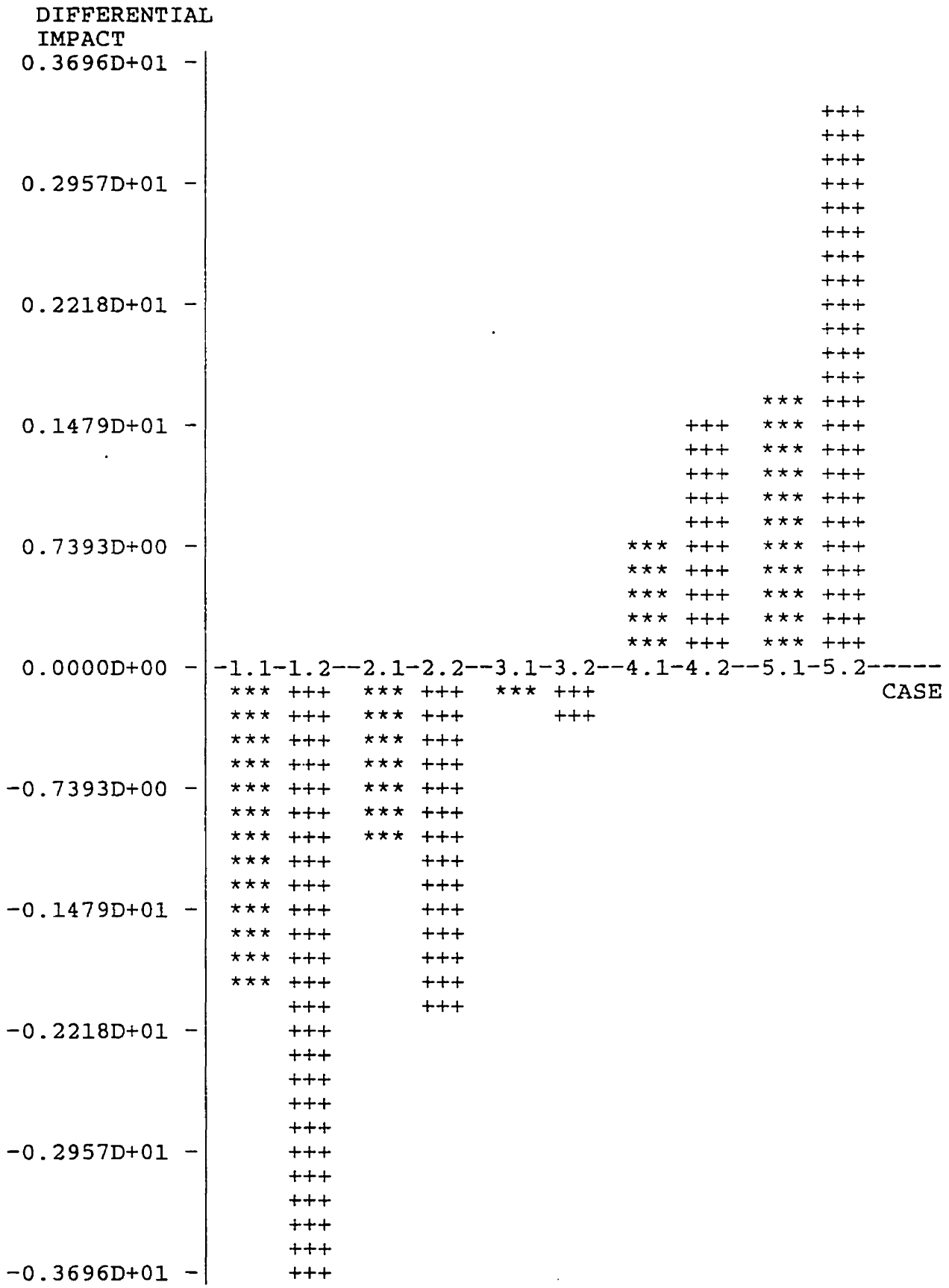


FIGURE G.11: DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON INVESTMENT, TOTAL, 1973:4-1976:3

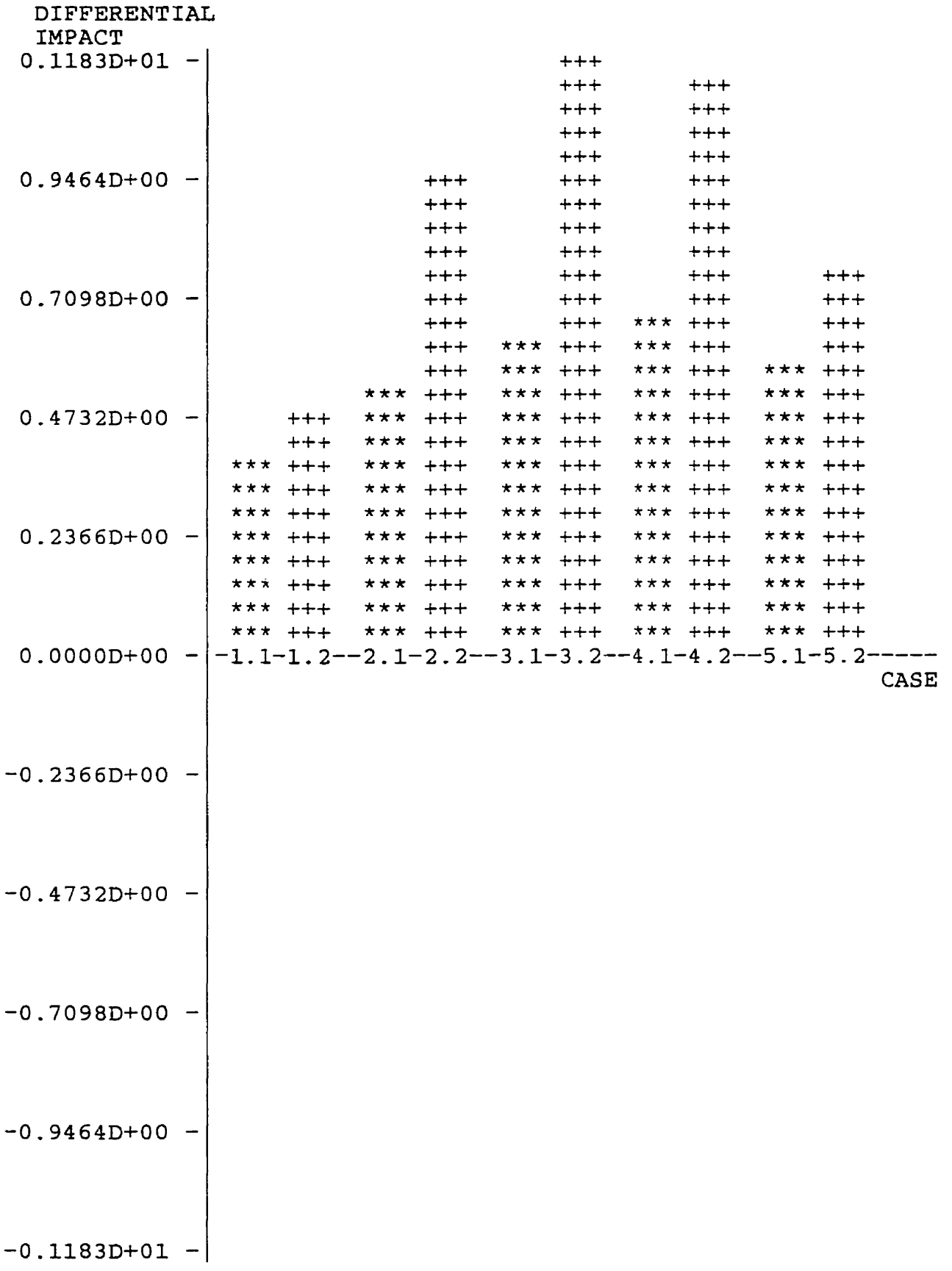


FIGURE H.1 : DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON GNP GAP, 1977:1-1979:4

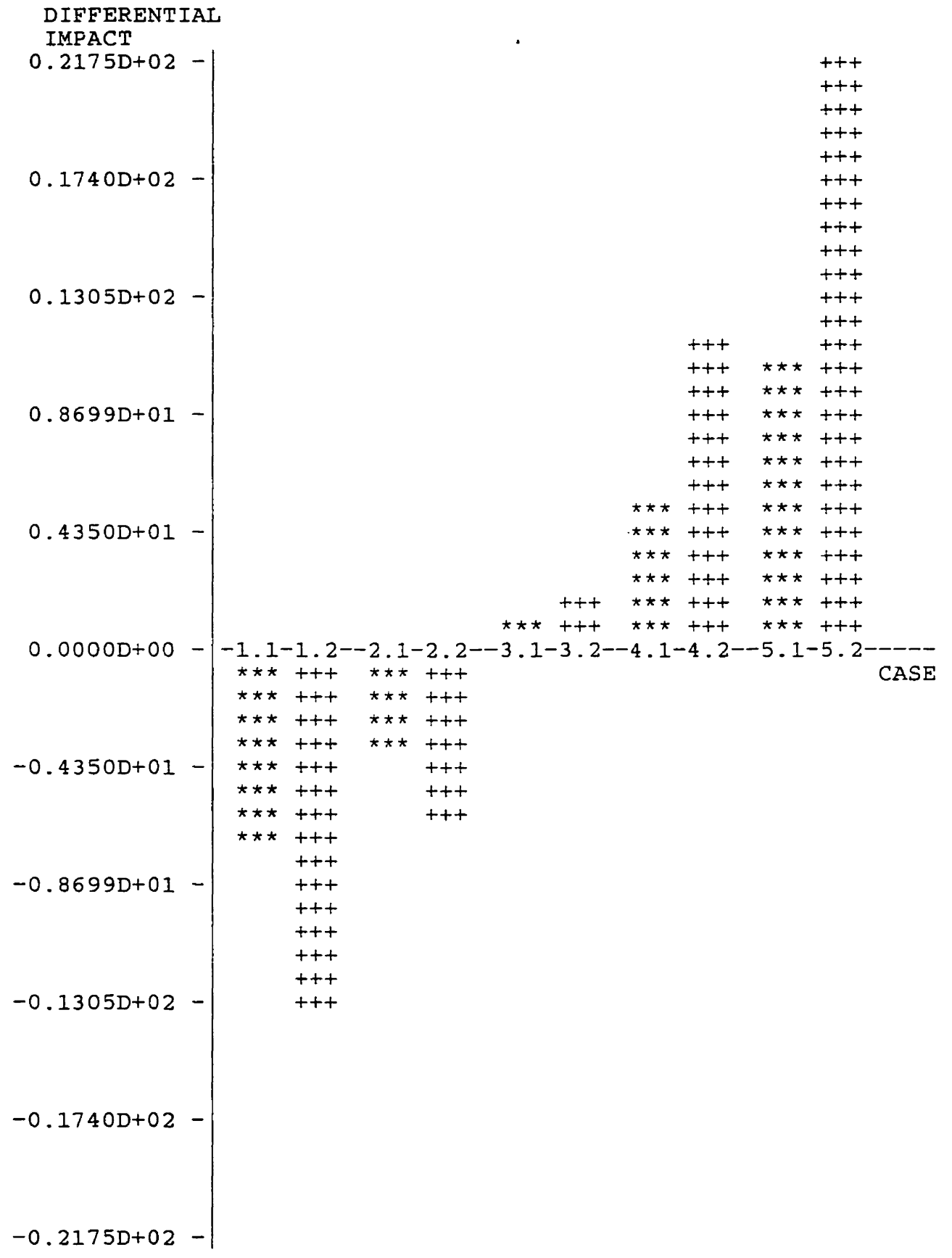


FIGURE H.2 : DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON GNP, 1977:1-1979:4

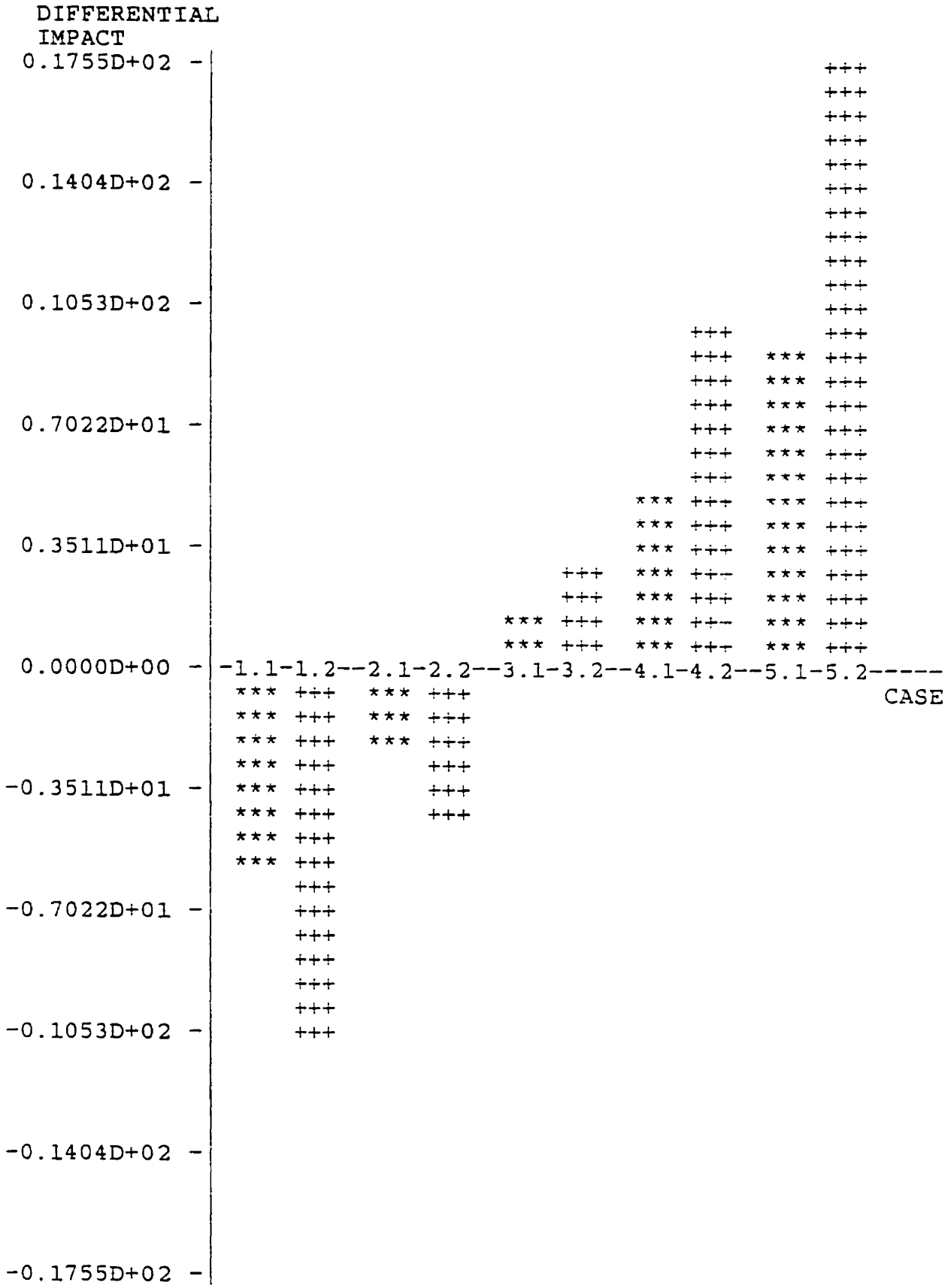


FIGURE H.3 : DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON EMPLOYMENT, 1977:1-1979:4

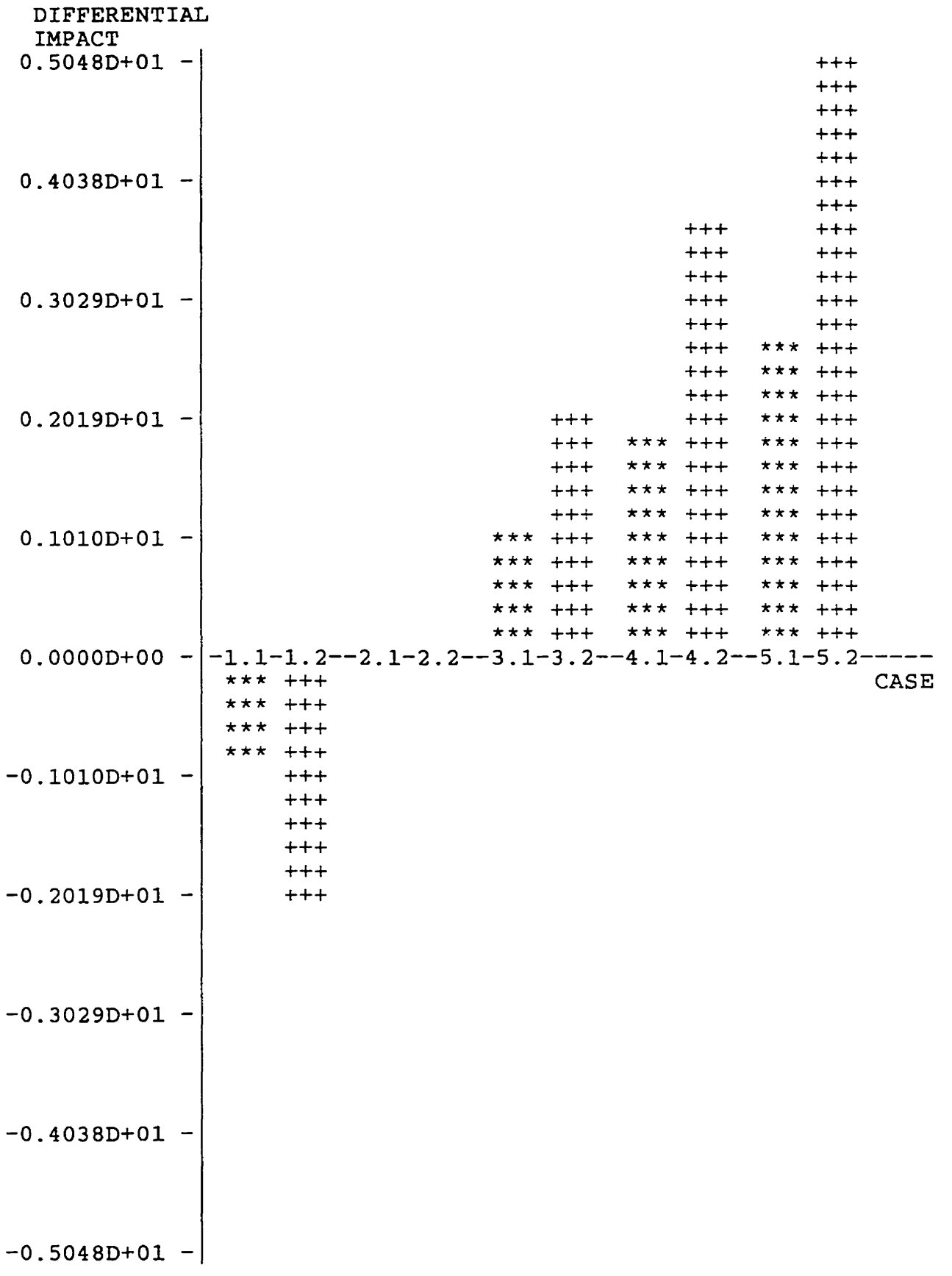


FIGURE H.4 : DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON RATE OF INFLATION, GNP, 1977:1-1979:4

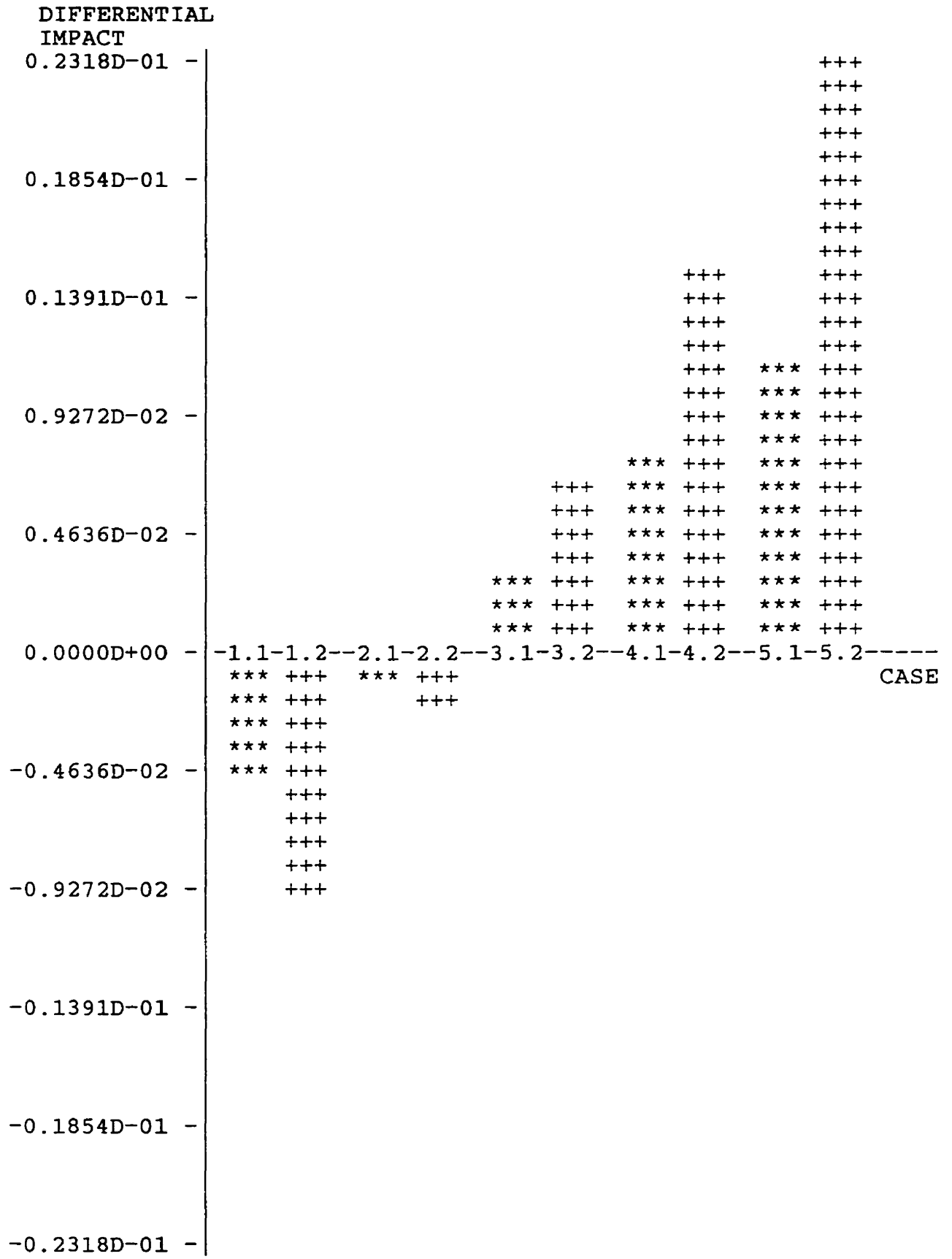


FIGURE H.5 : DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON RATE OF INFLATION, CONSUMER EXPENDITURE, 1977:1-1979:4

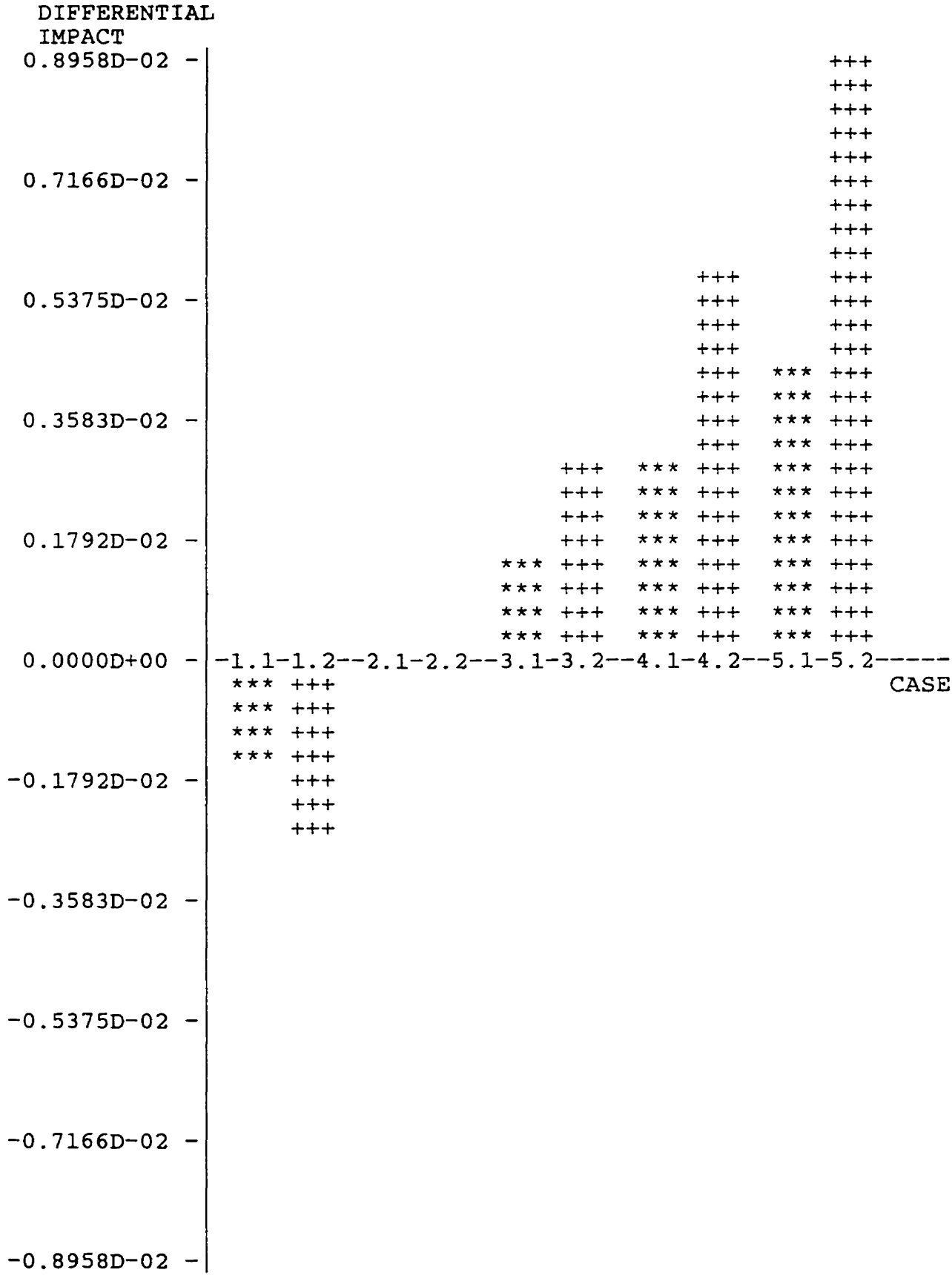


FIGURE H.6 : DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON LABOUR SHARE, 1977:1-1979:4

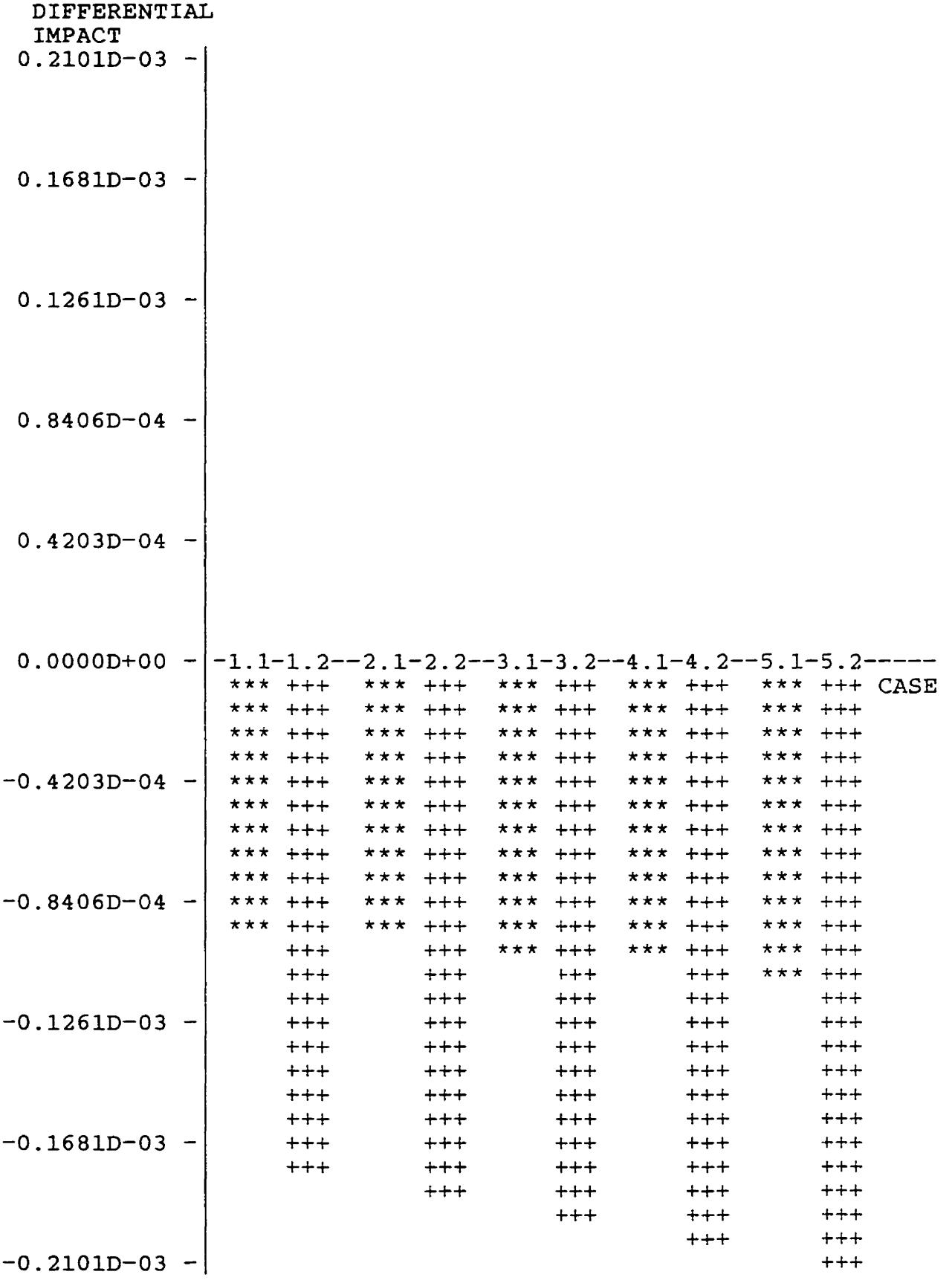


FIGURE H.7 : DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON PERSONAL INCOME TAX IN CURRENT DOLLARS, 1977:1-1979:4

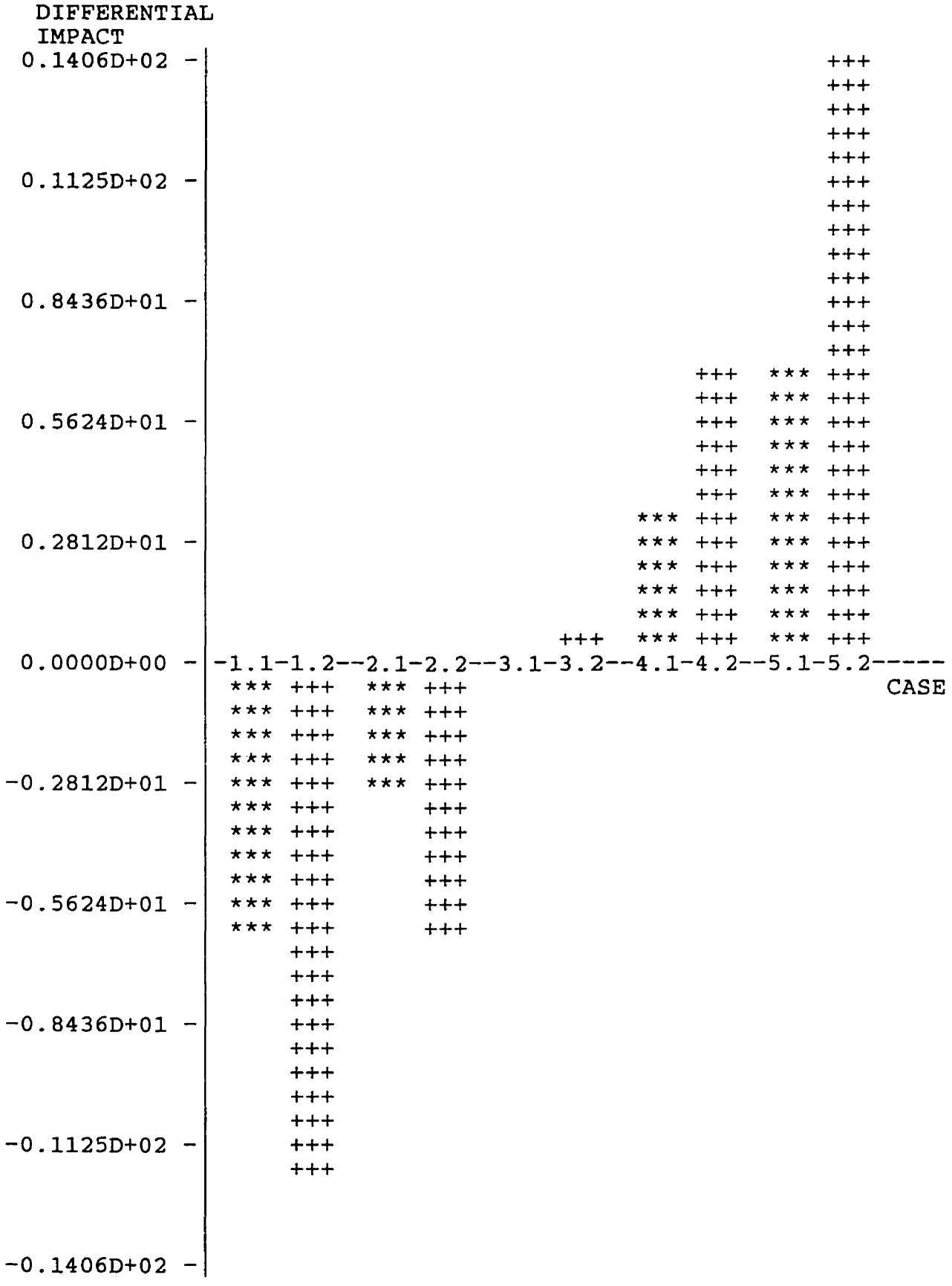


FIGURE H.8 : DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON LABOUR FORCE, 1977:1-1979:4

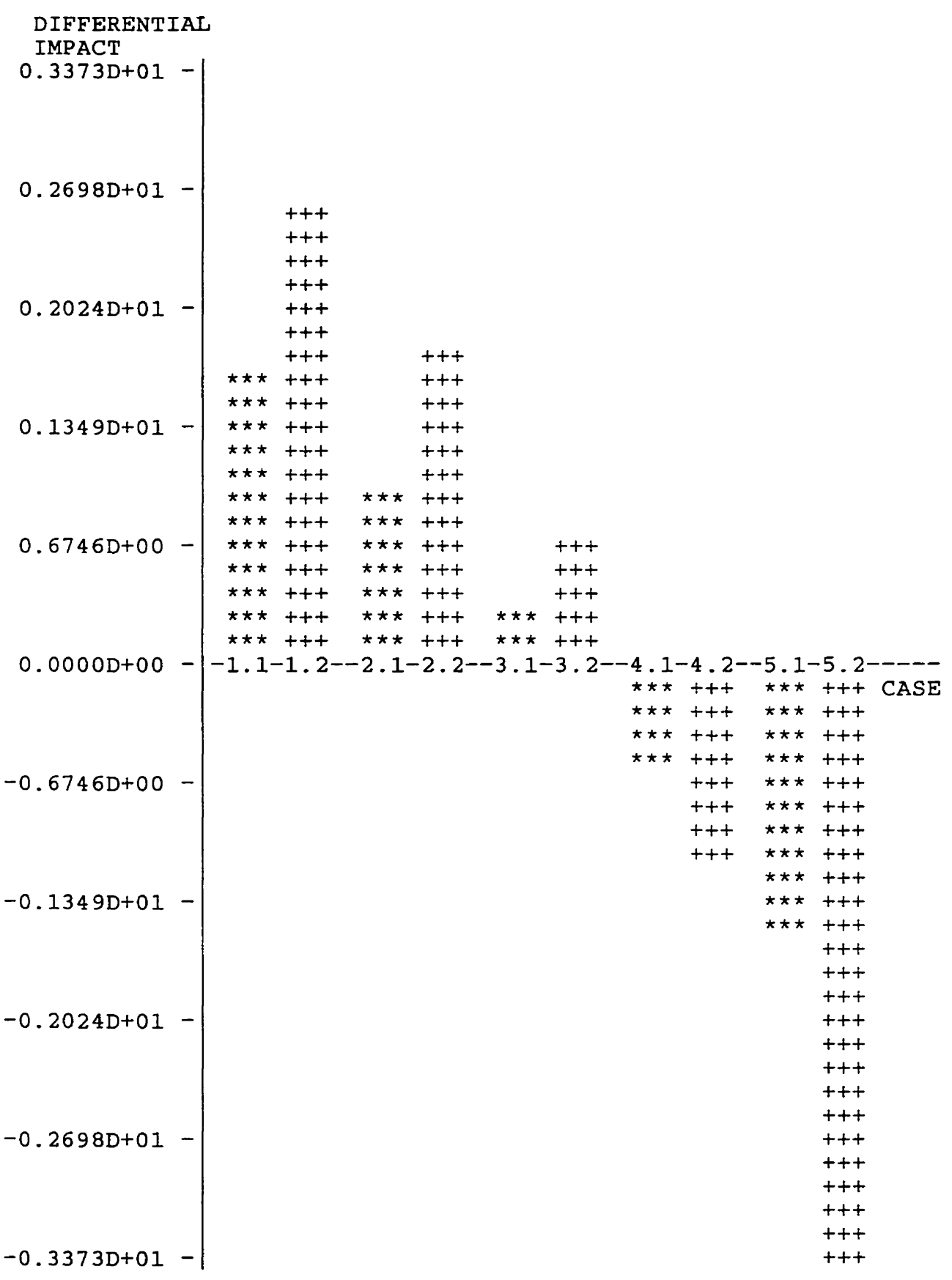


FIGURE H.9 : DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON SPOT EXCHANGE RATE, 1977:1-1979:4

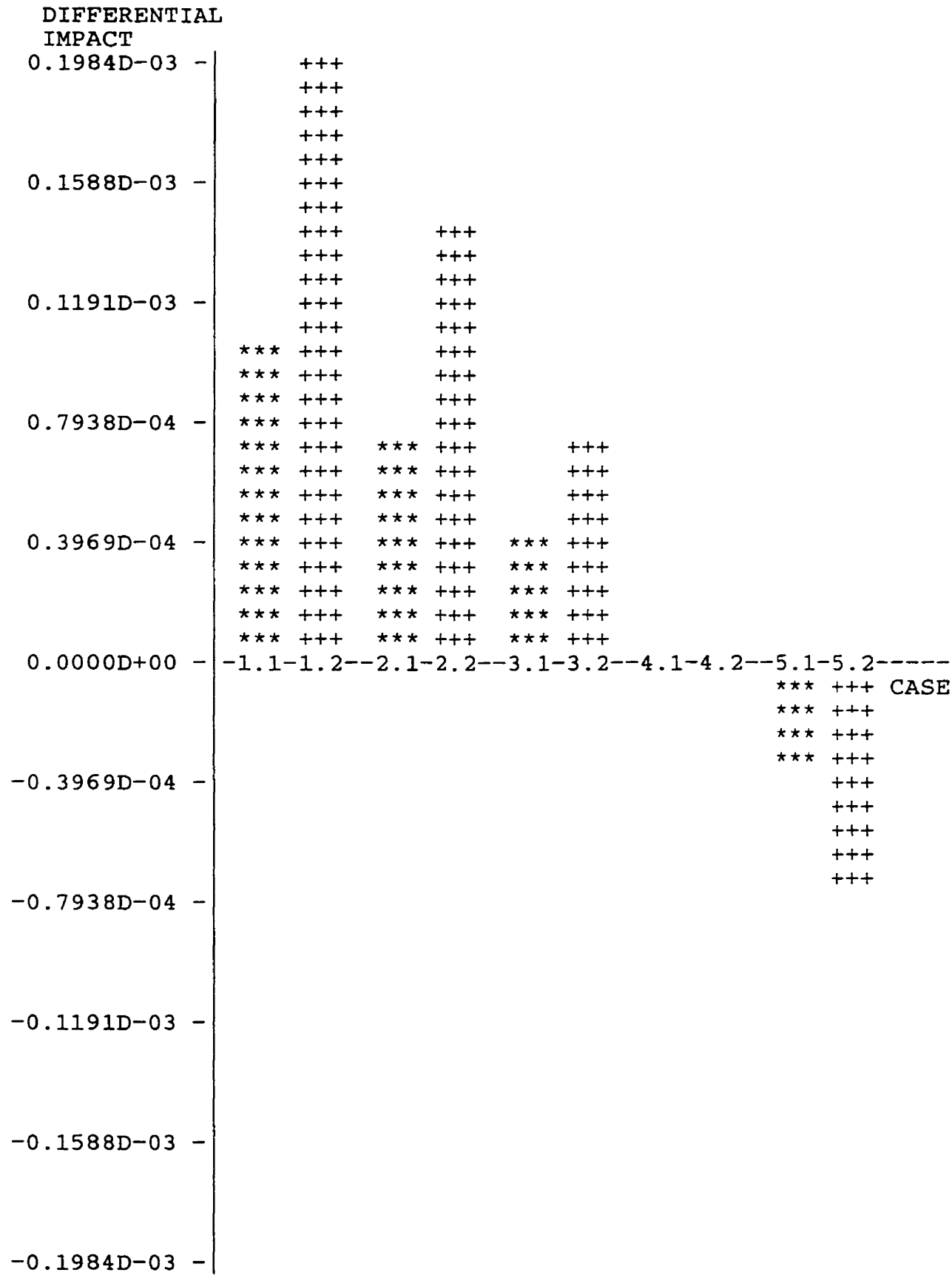


FIGURE H.10: DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON CONSUMER EXPENDITURE, TOTAL, 1977:1-1979:4

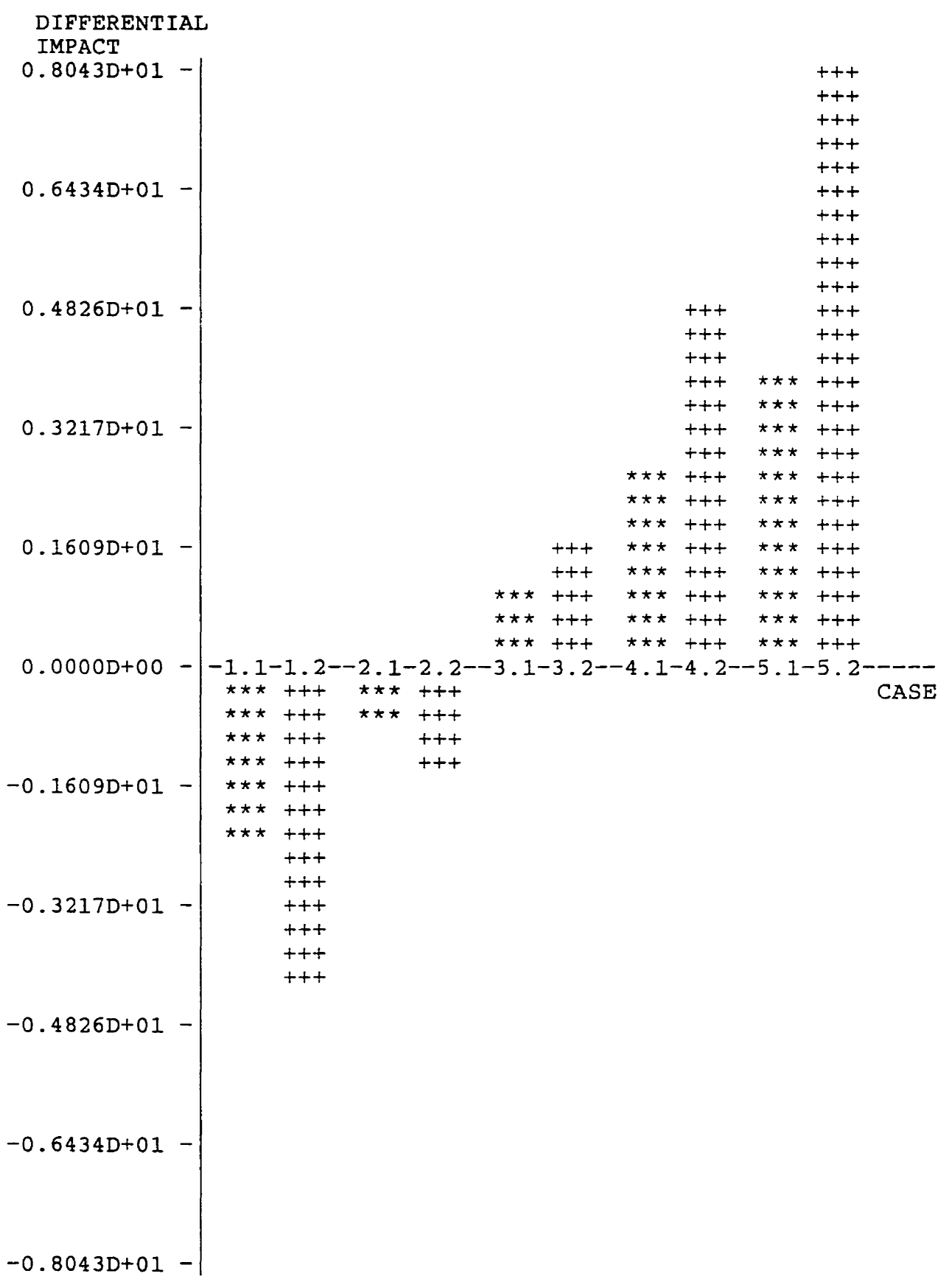


FIGURE H.11: DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON INVESTMENT, TOTAL, 1977:1-1979:4

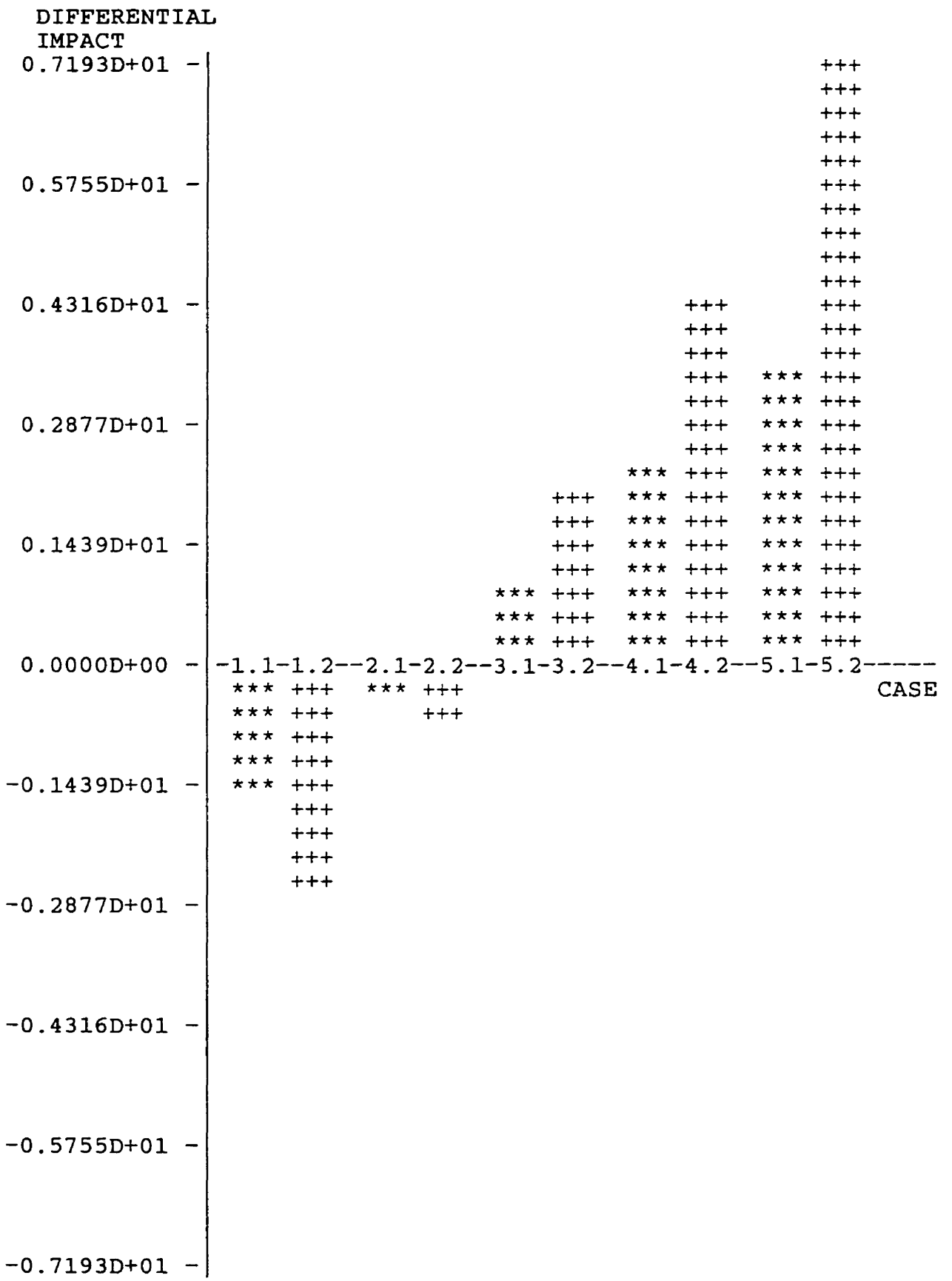


FIGURE I.1 : DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON GNP GAP, 1980:2-1983:1

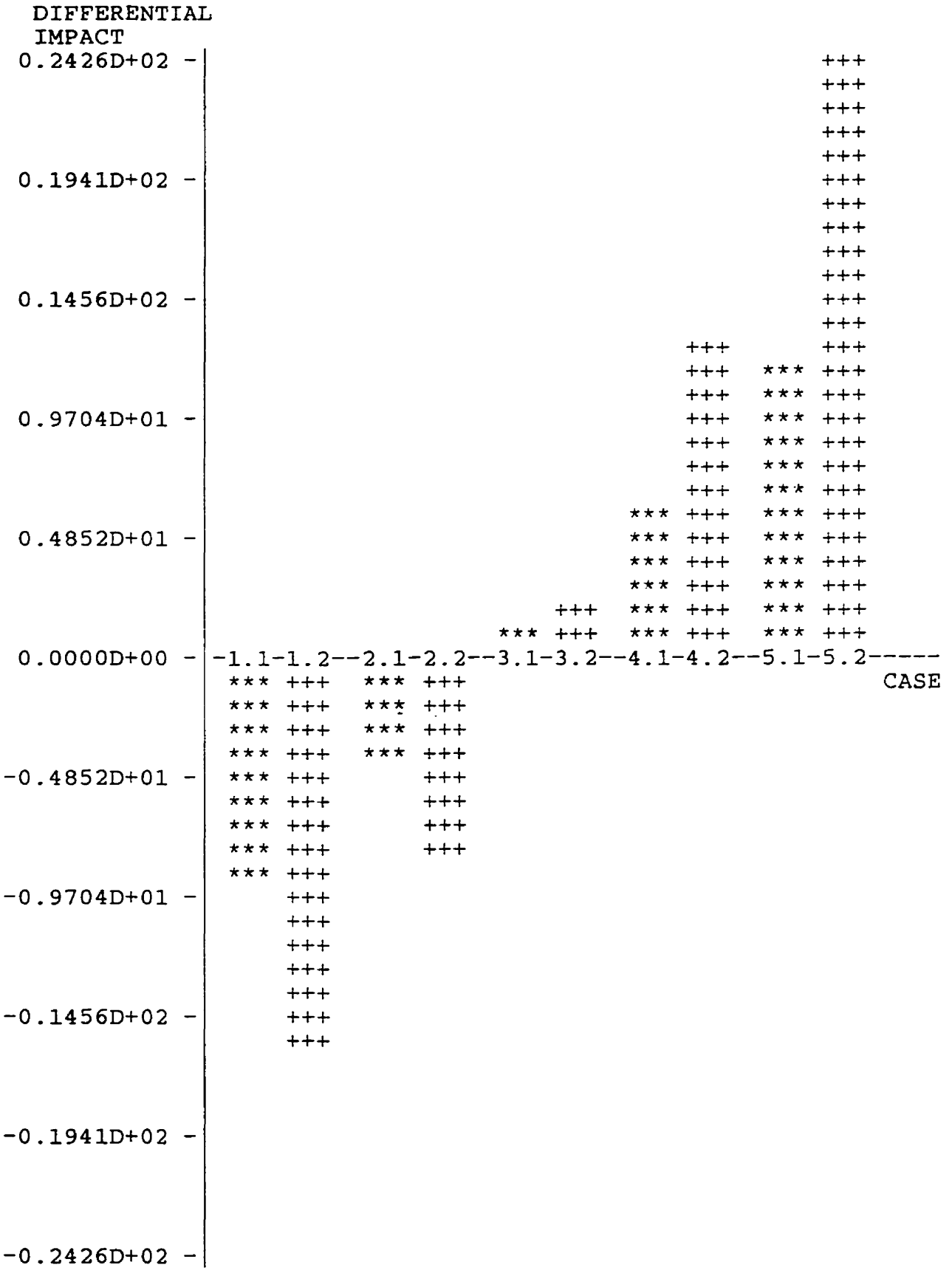


FIGURE I.2 : DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON GNP, 1980:2-1983:1

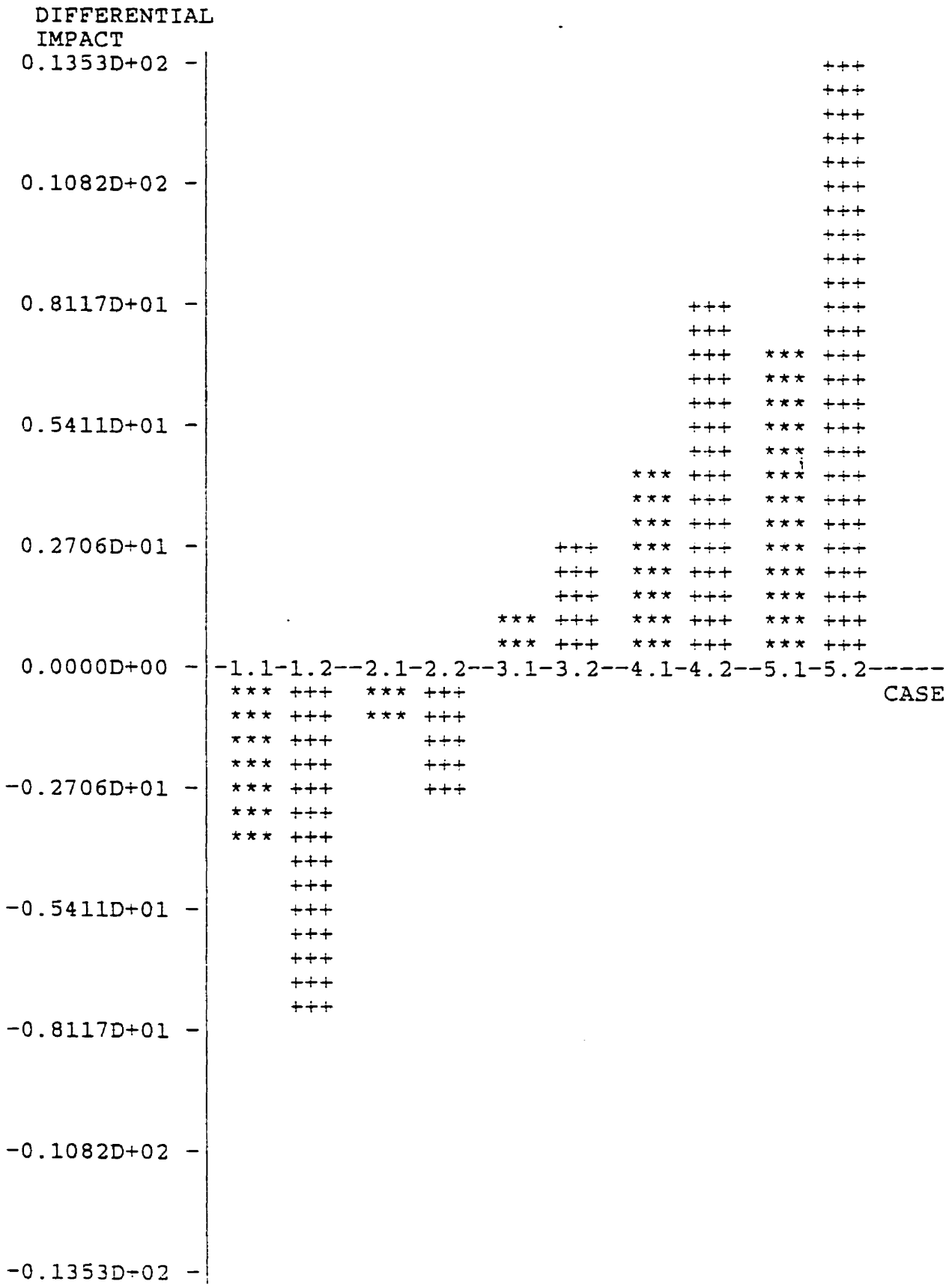


FIGURE I.3 : DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON EMPLOYMENT, 1980:2-1983:1

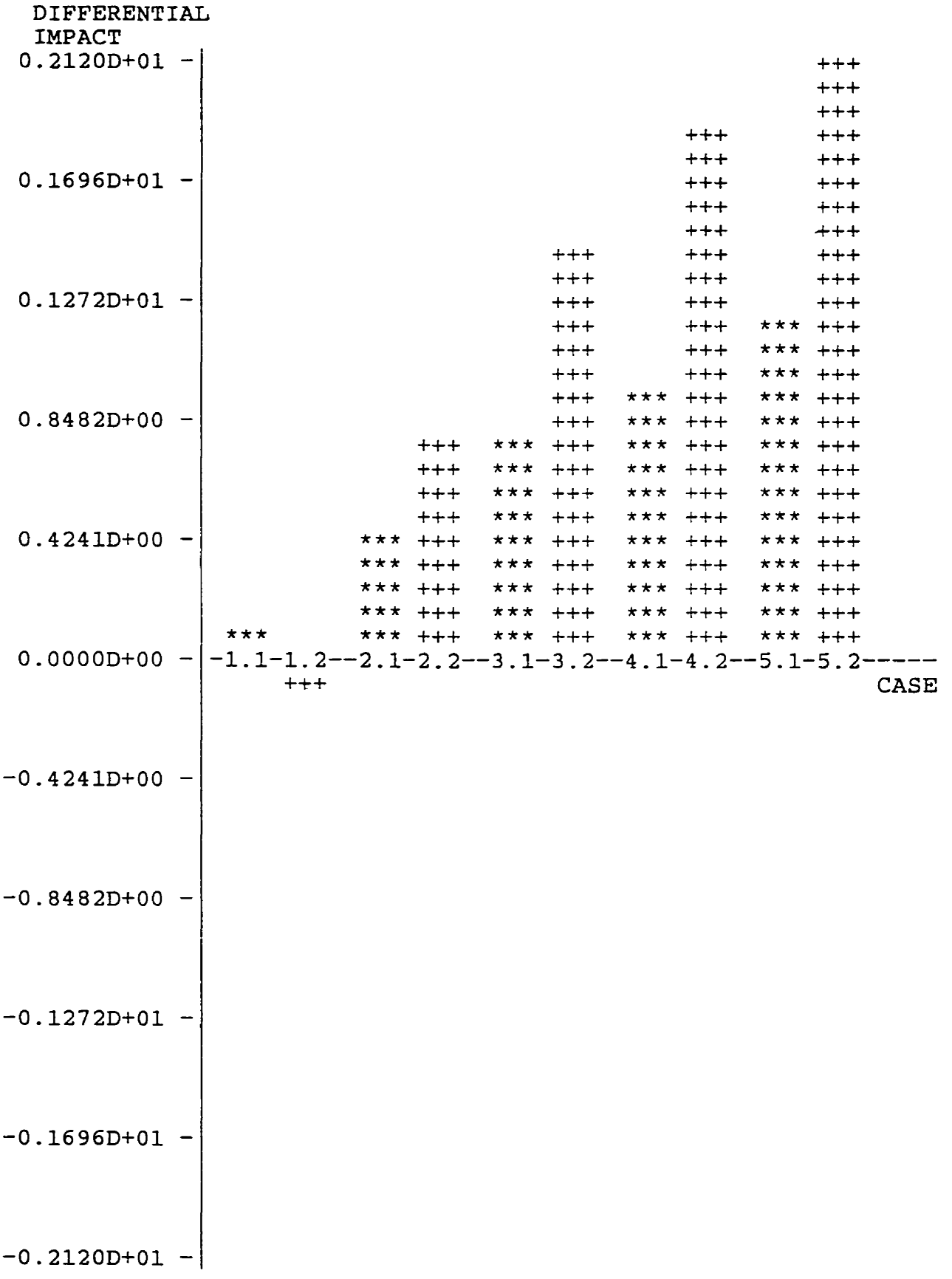


FIGURE I.4 : DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON RATE OF INFLATION, GNP, 1980:2-1983:1

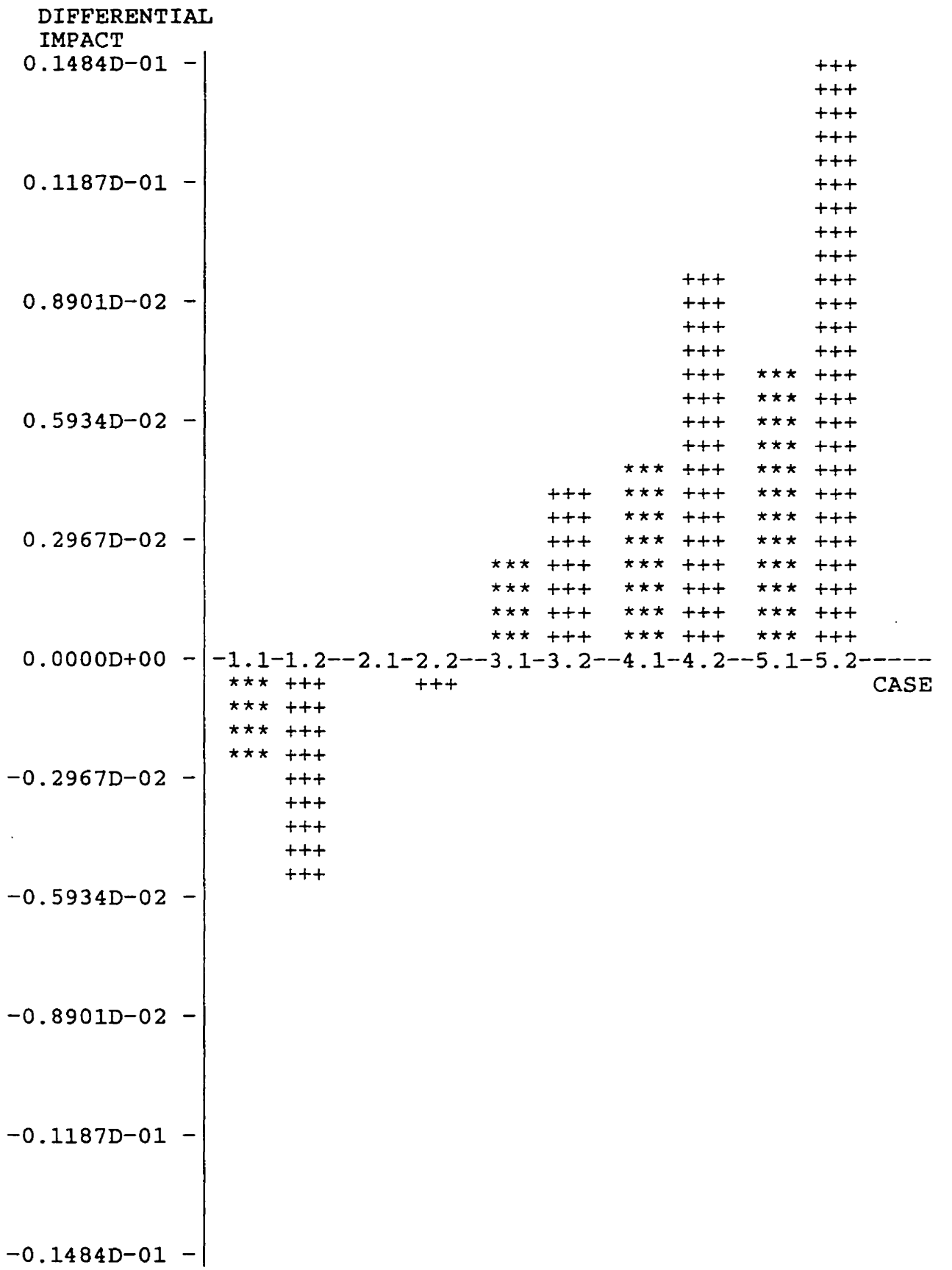


FIGURE I.5 : DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON RATE OF INFLATION, CONSUMER EXPENDITURE, 1980:2-1983:1

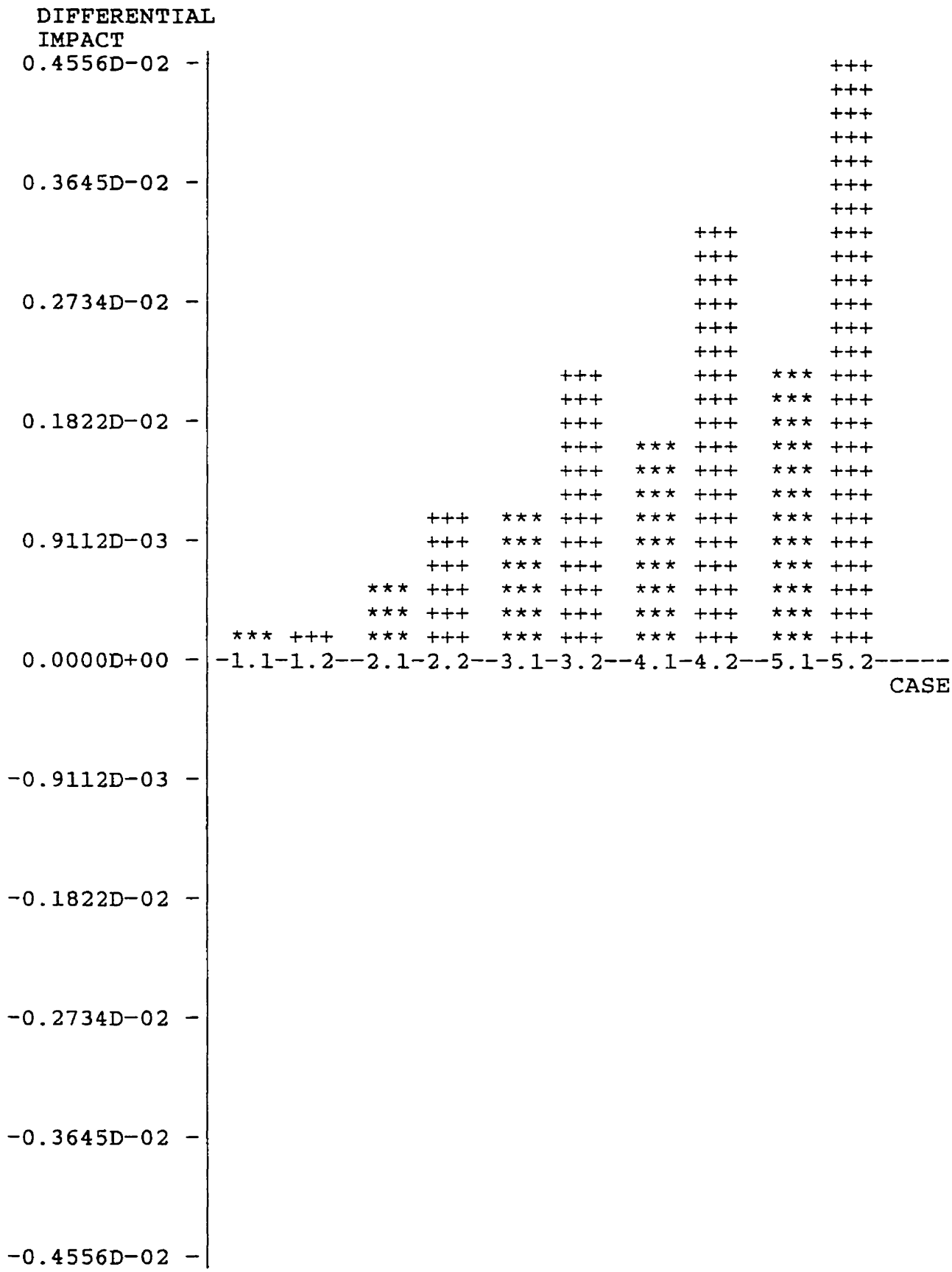


FIGURE I.6 : DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON LABOUR SHARE, 1980:2-1983:1

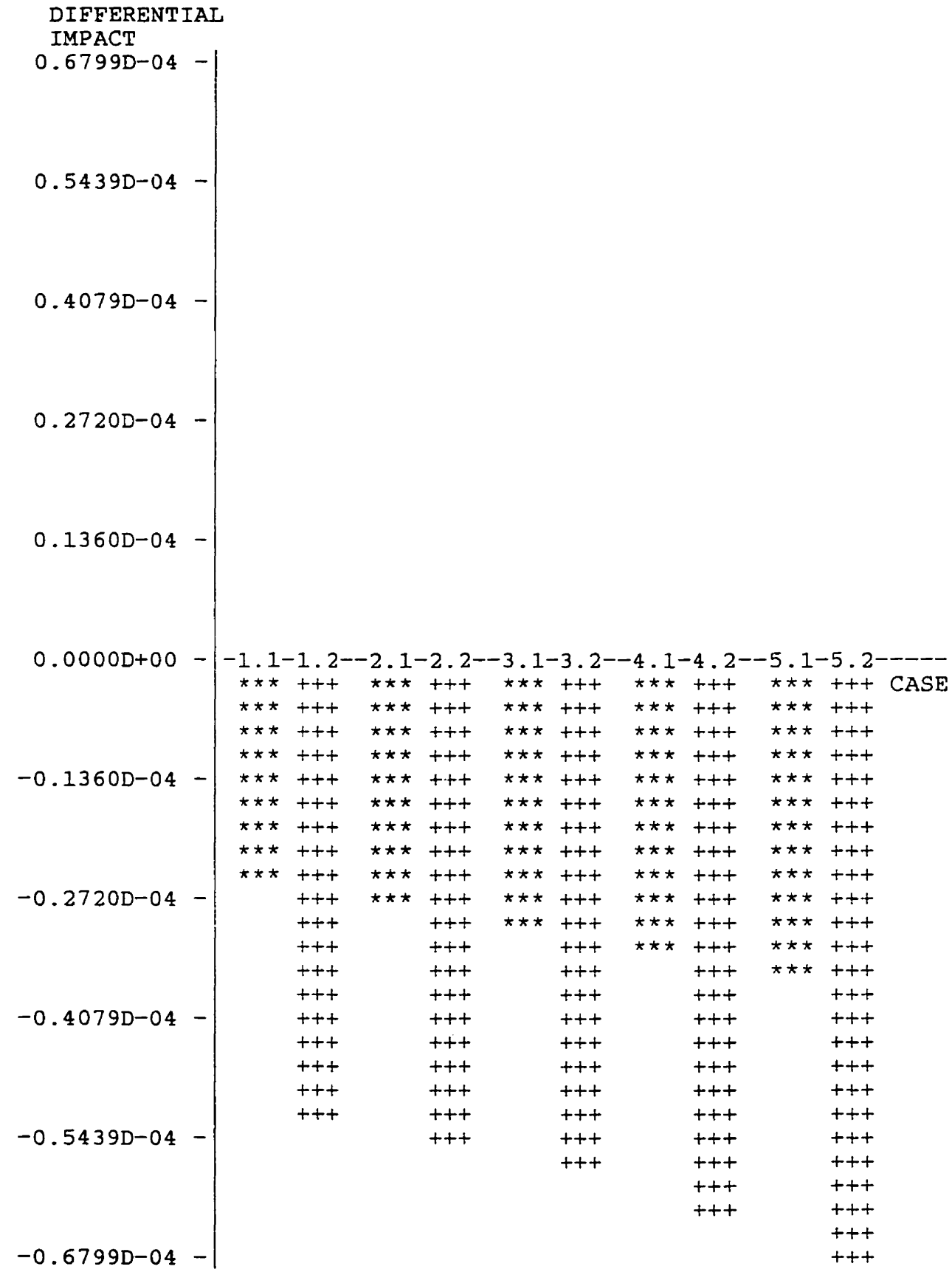


FIGURE I.7 : DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON PERSONAL INCOME TAX IN CURRENT DOLLARS, 1980:2-1983:1

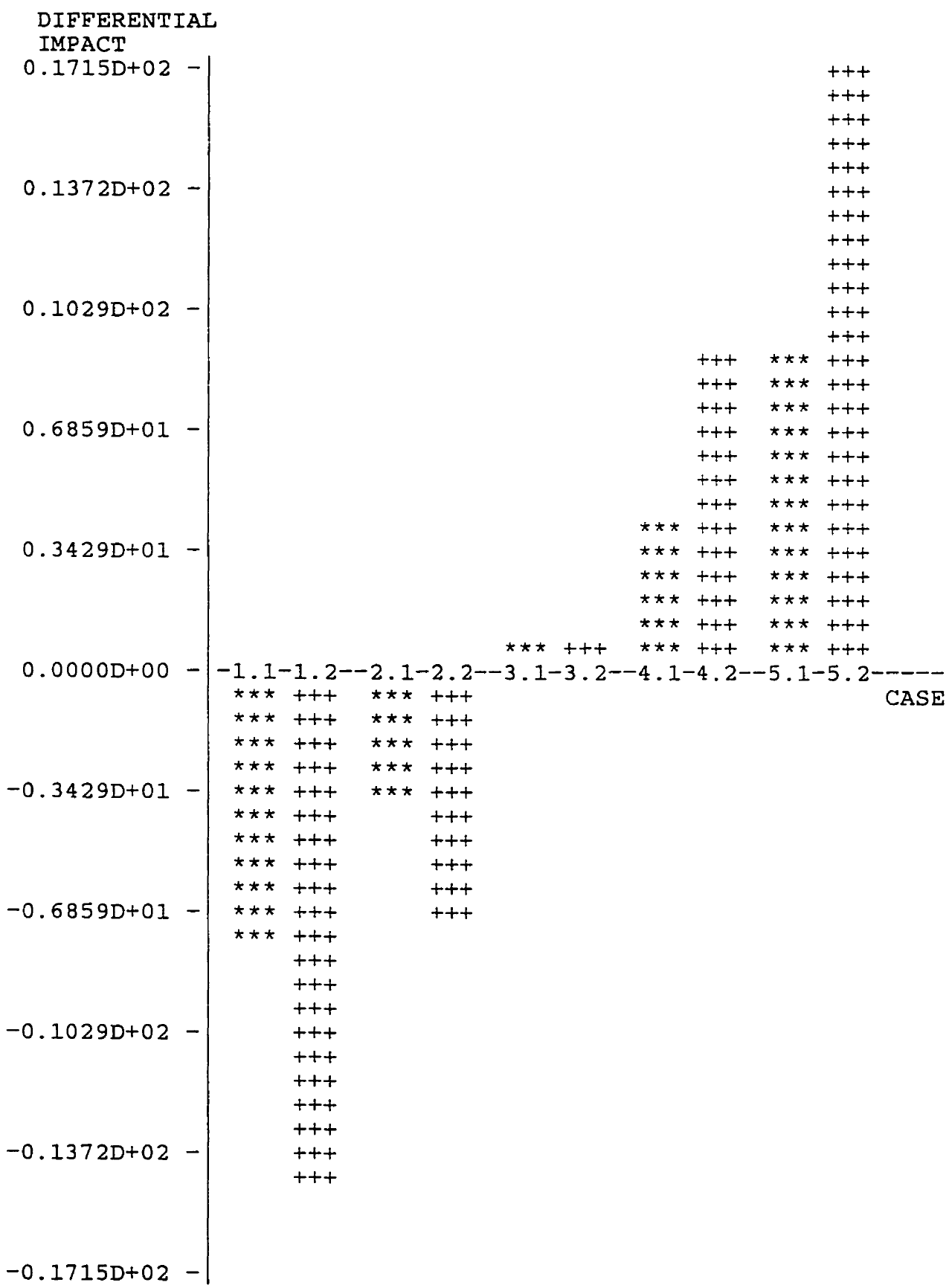


FIGURE I.8 : DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON LABOUR FORCE, 1980:2-1983:1

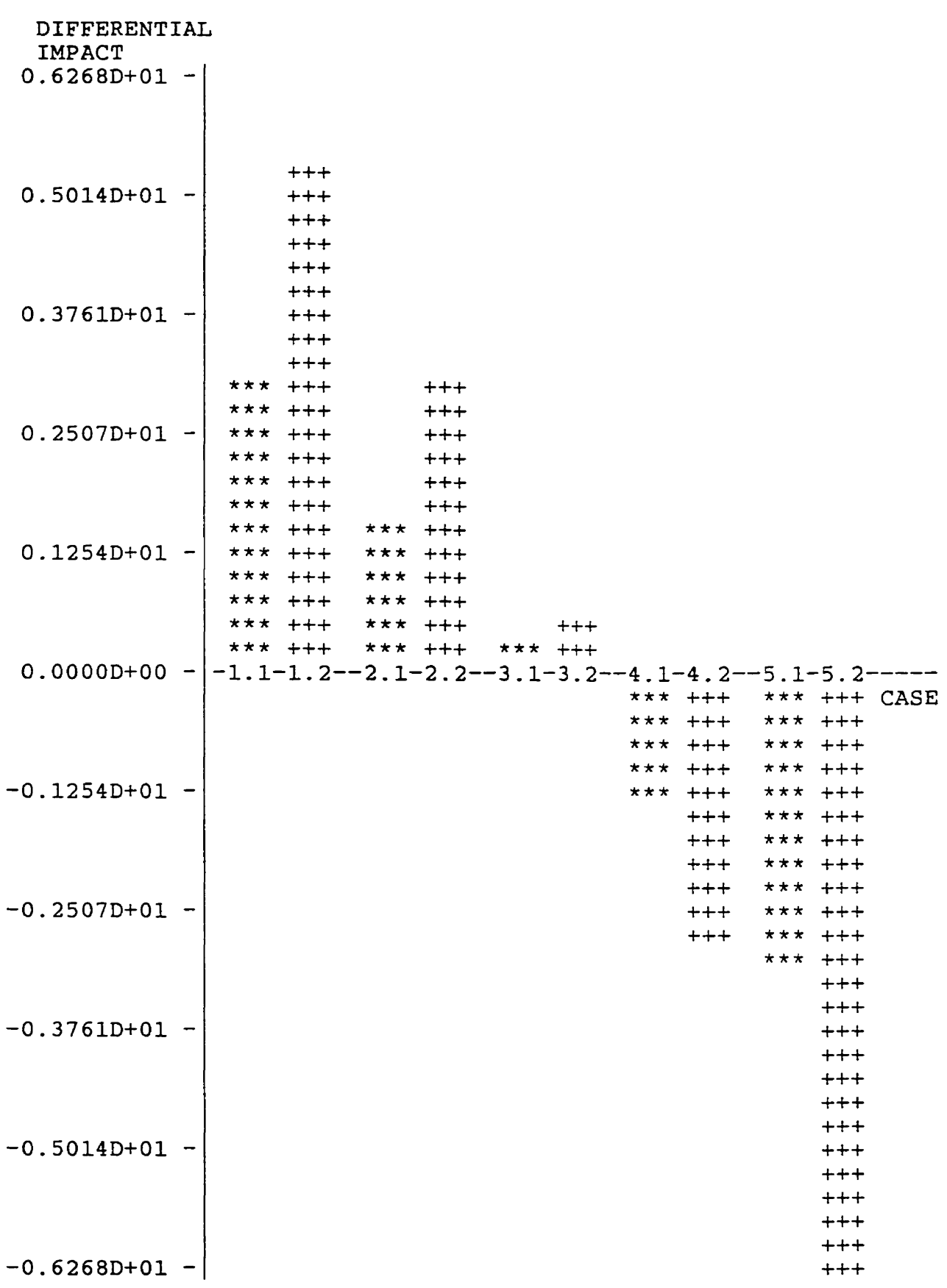


FIGURE I.9 : DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON SPOT EXCHANGE RATE, 1980:2-1983:1

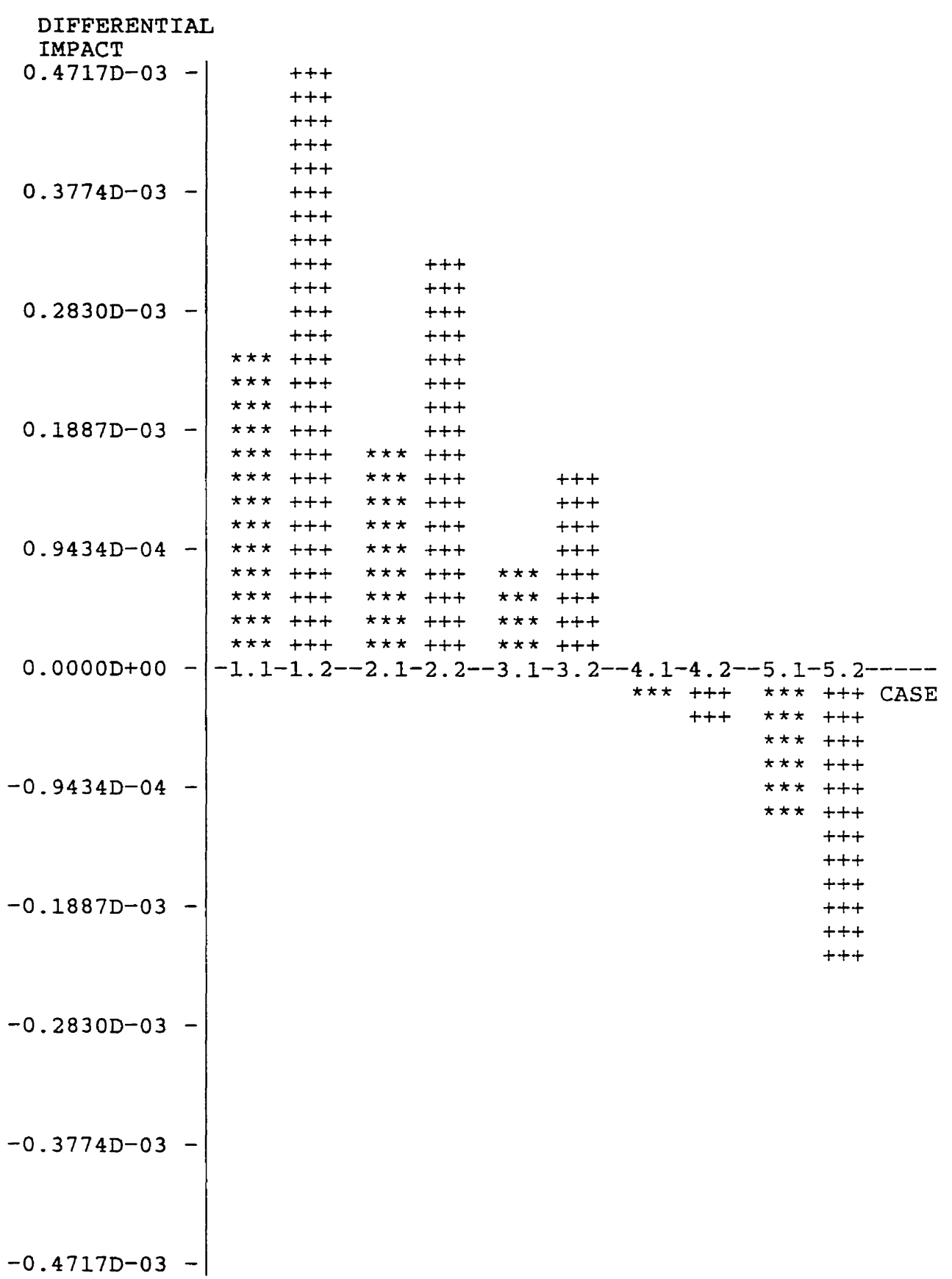


FIGURE I.10: DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON CONSUMER EXPENDITURE, TOTAL, 1980:2-1983:1

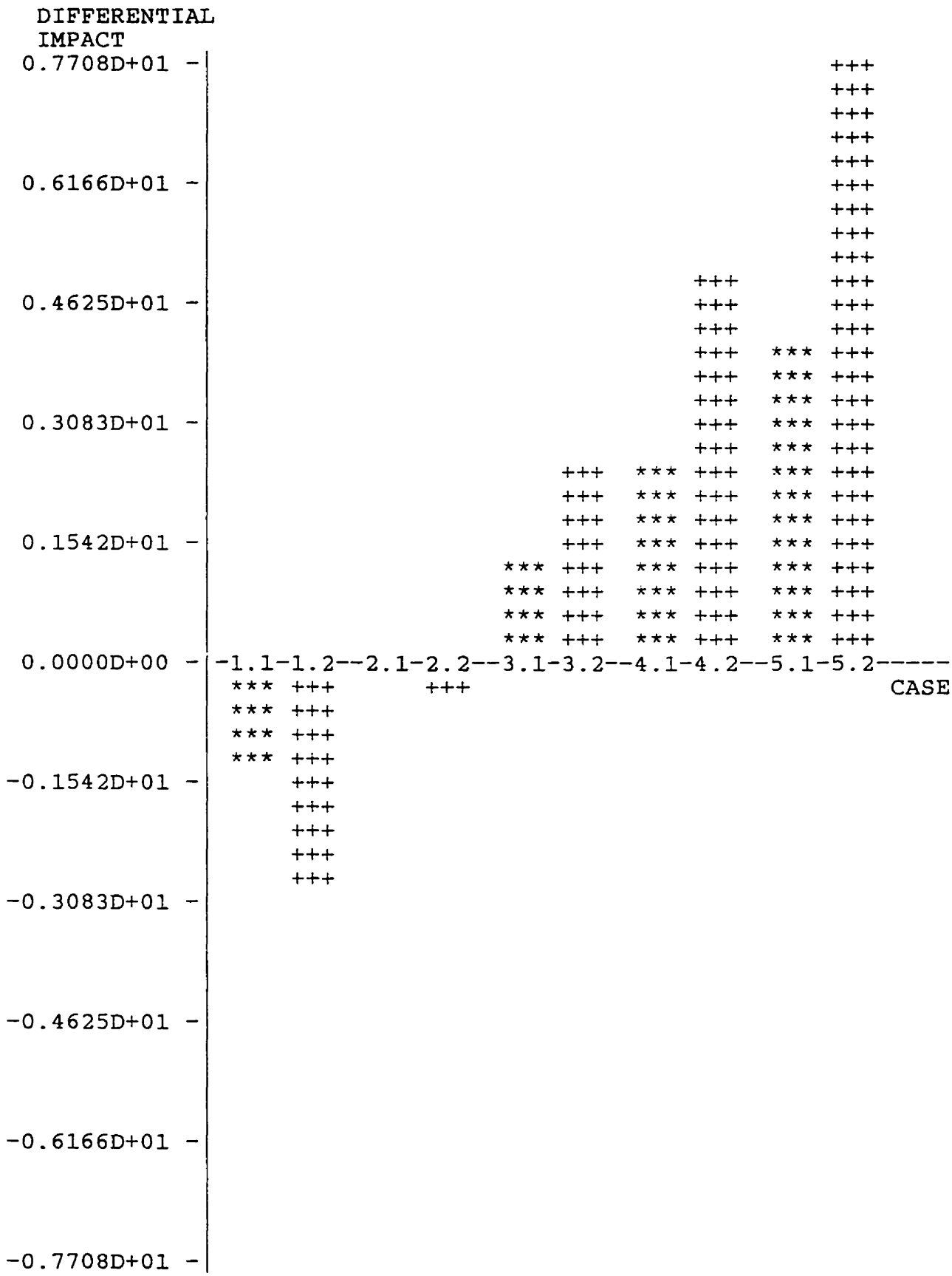


FIGURE I.11: DIFFERENTIAL IMPACT OF AN IMPORT-PRICE SHOCK ON INVESTMENT, TOTAL, 1980:2-1983:1

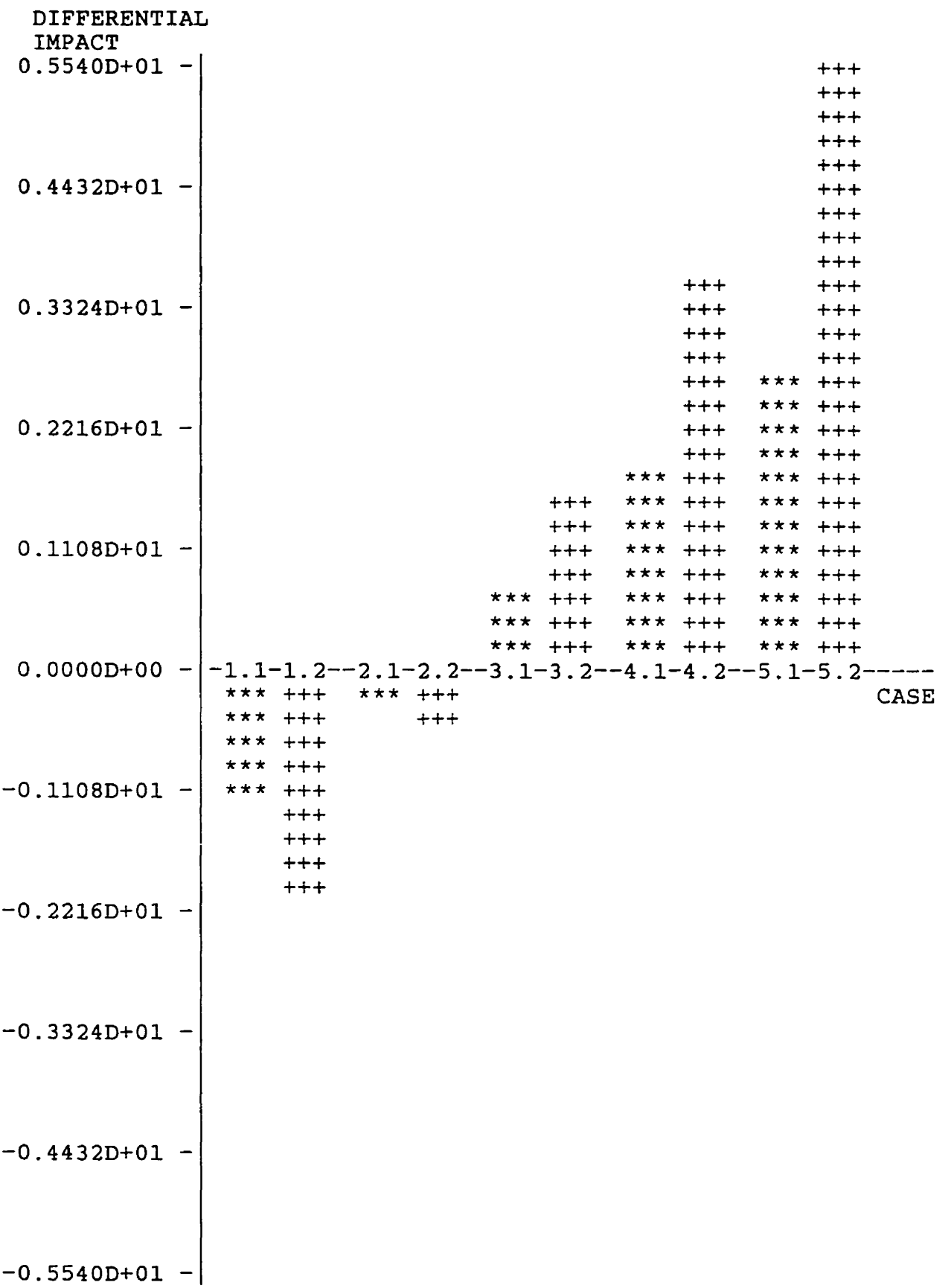


FIGURE J.1 : DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON GNP GAP, 1973:4-1976:3

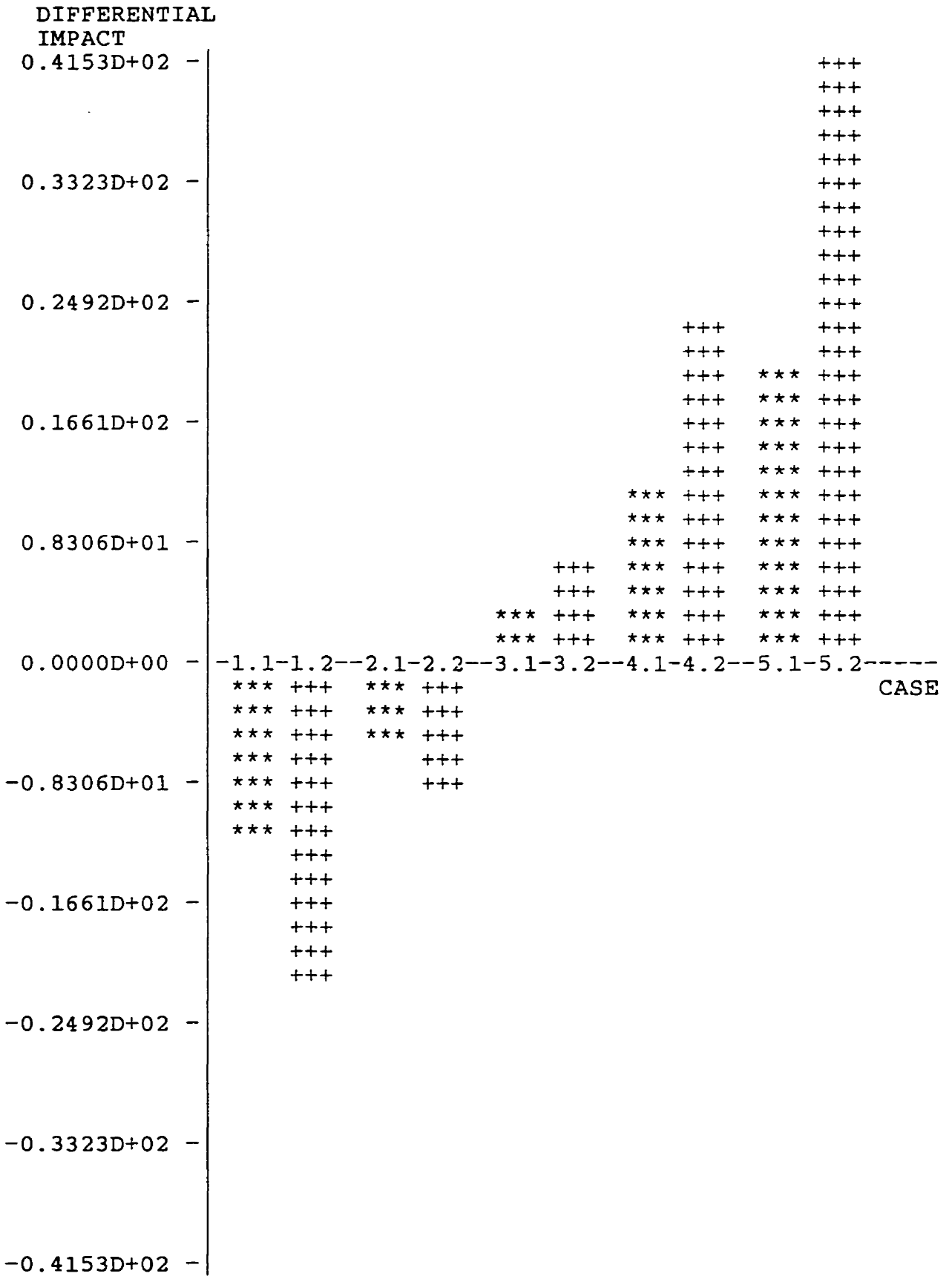


FIGURE J.2 : DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON GNP, 1973:4-1976:3

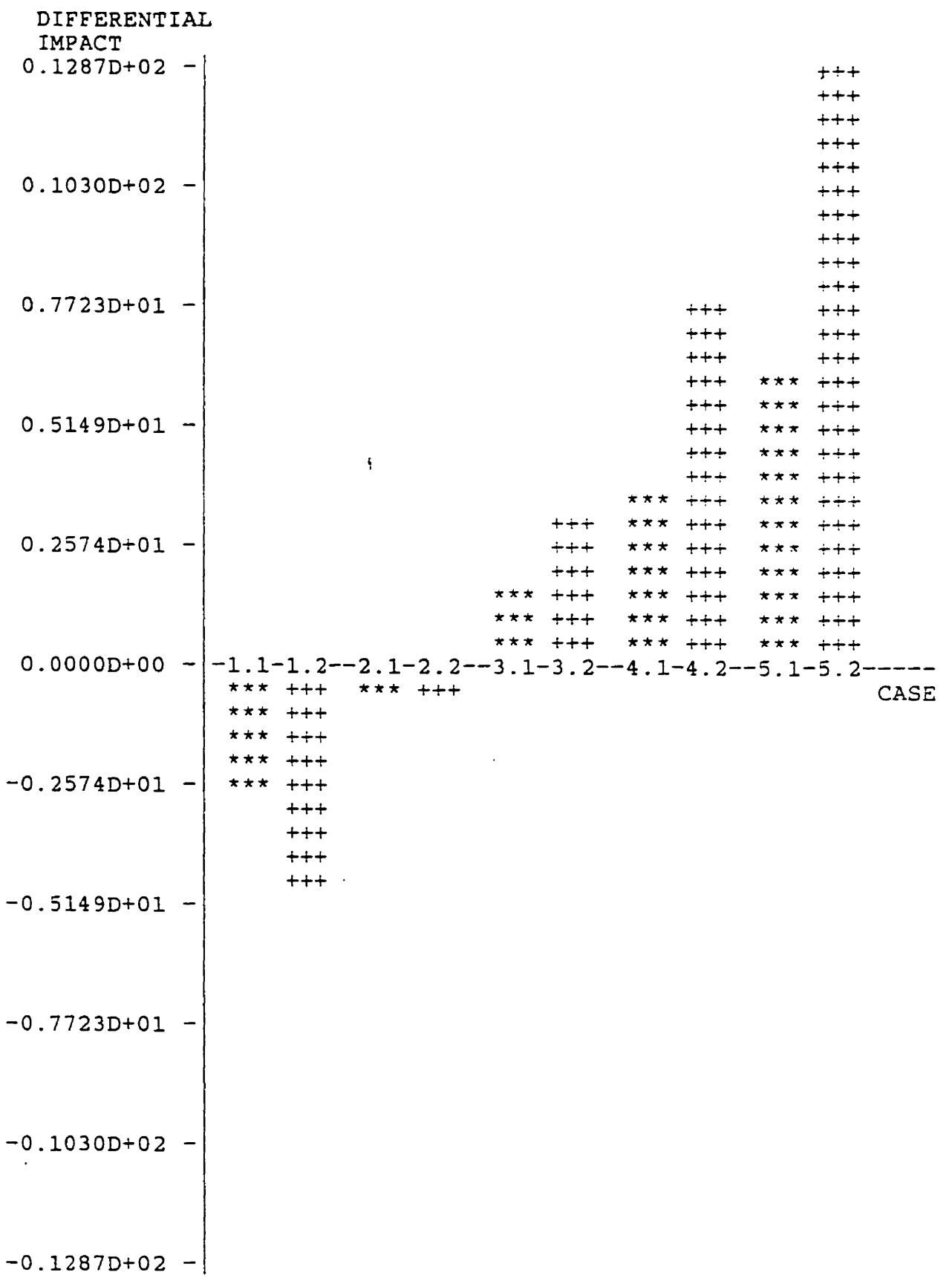


FIGURE J.3 : DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON EMPLOYMENT, 1973:4-1976:3

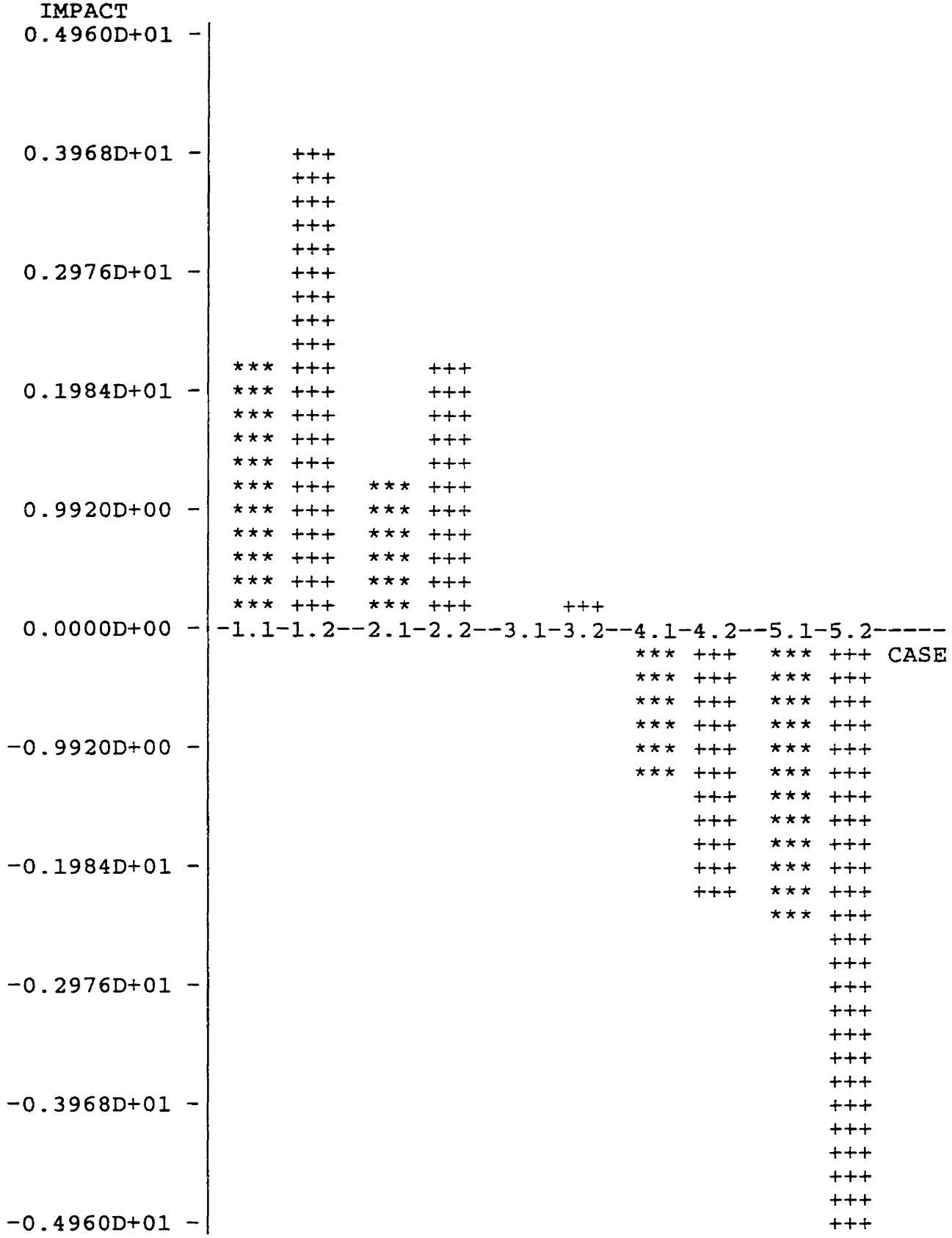


FIGURE J.4 : DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON RATE OF INFLATION, GNP, 1973:4-1976:3

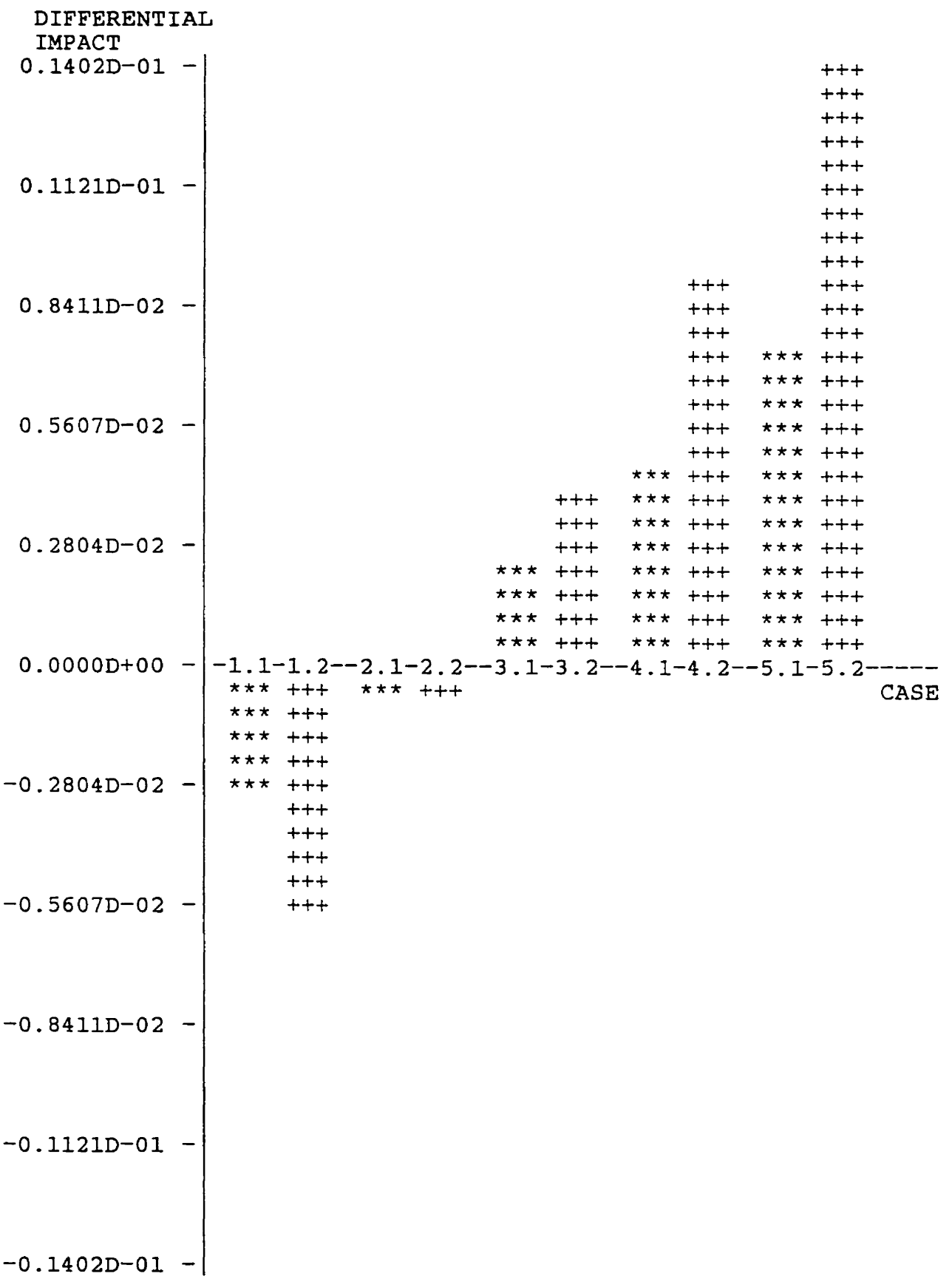


FIGURE J.5 : DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON RATE OF INFLATION, CONSUMER EXPENDITURE, 1973:4-1976:3

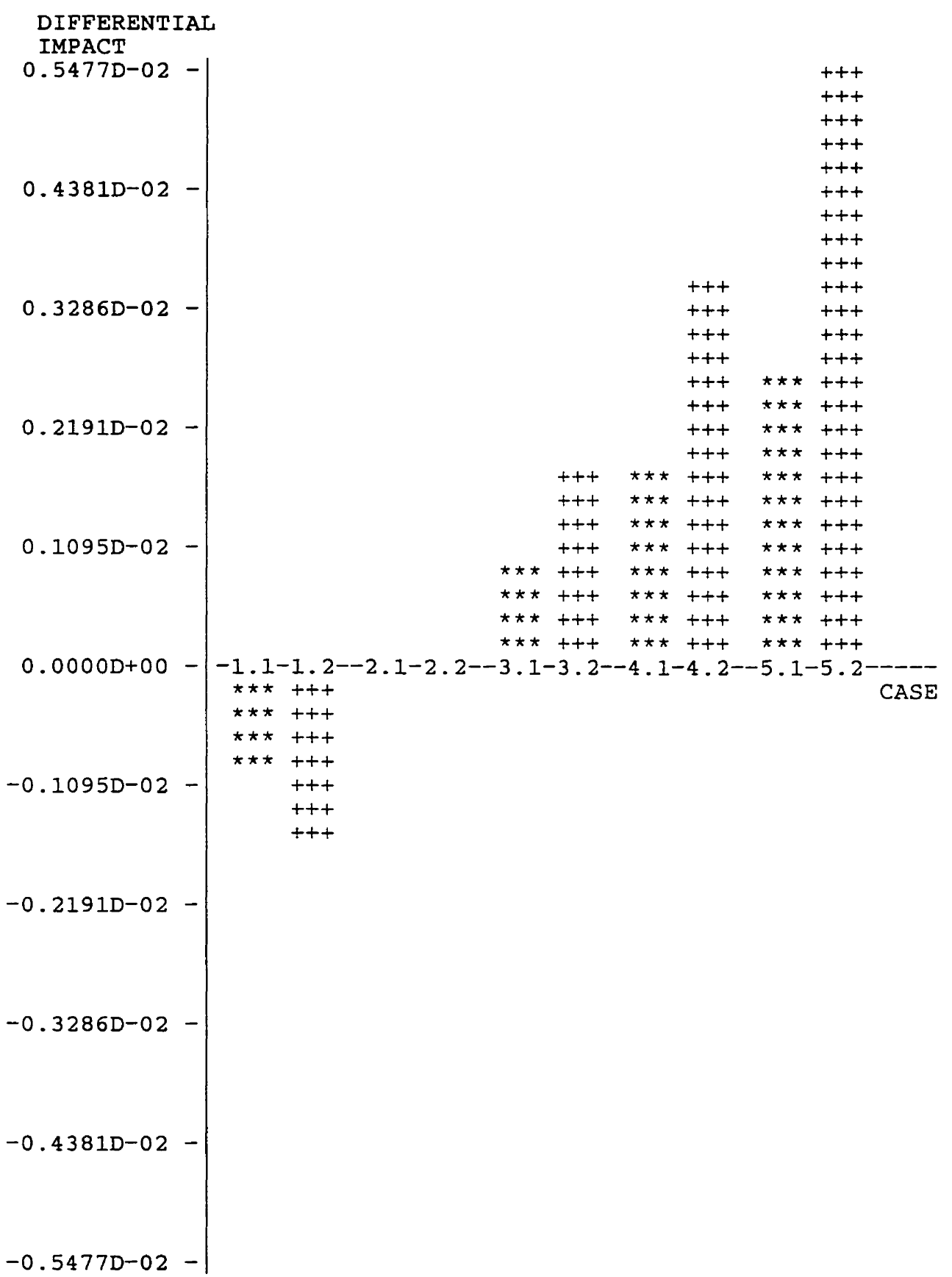


FIGURE J.6 : DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON LABOUR SHARE, 1973:4-1976:3

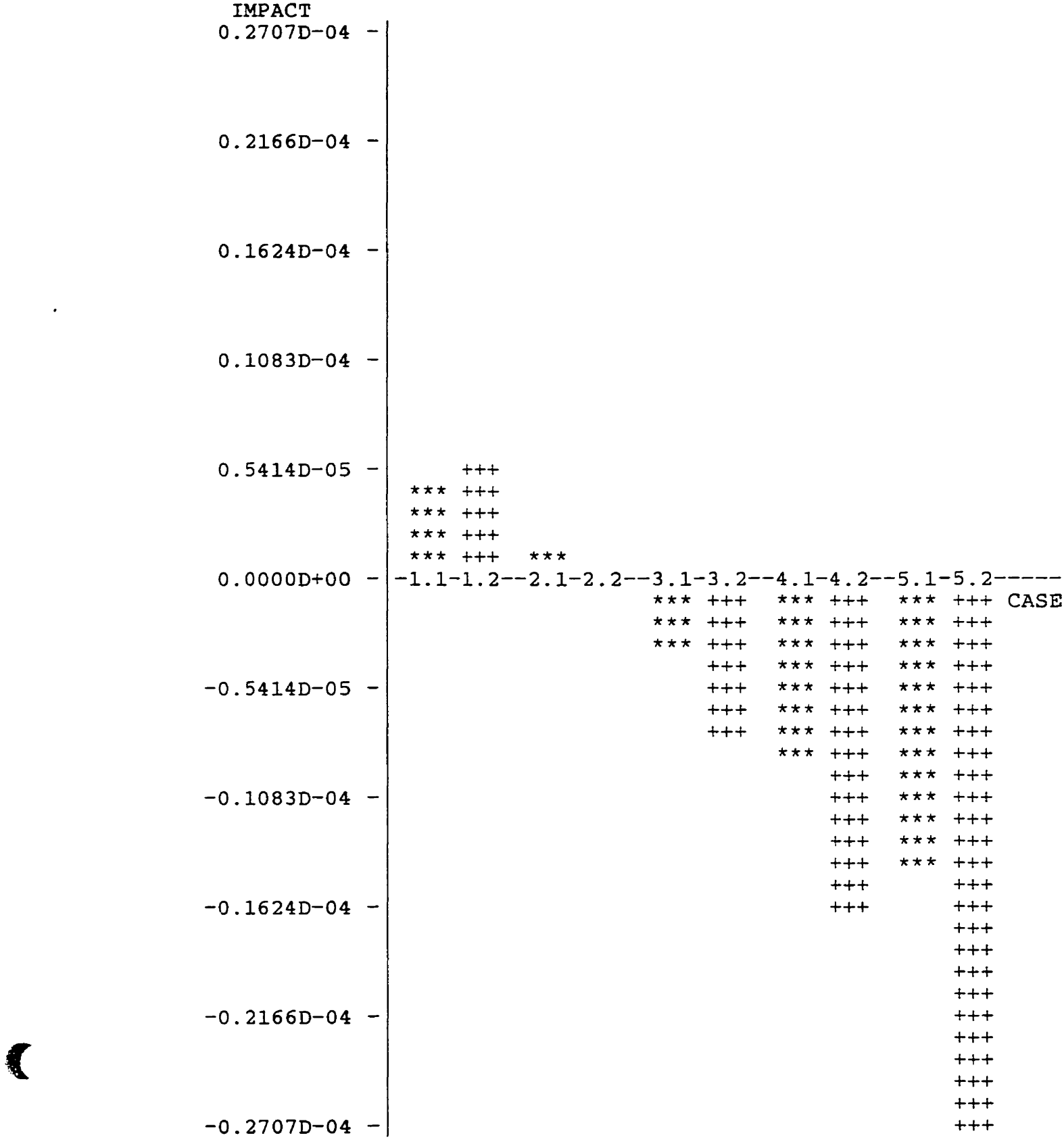


FIGURE J.7 : DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON PERSONAL INCOME TAX IN CURRENT DOLLARS, 1973:4-1976:3

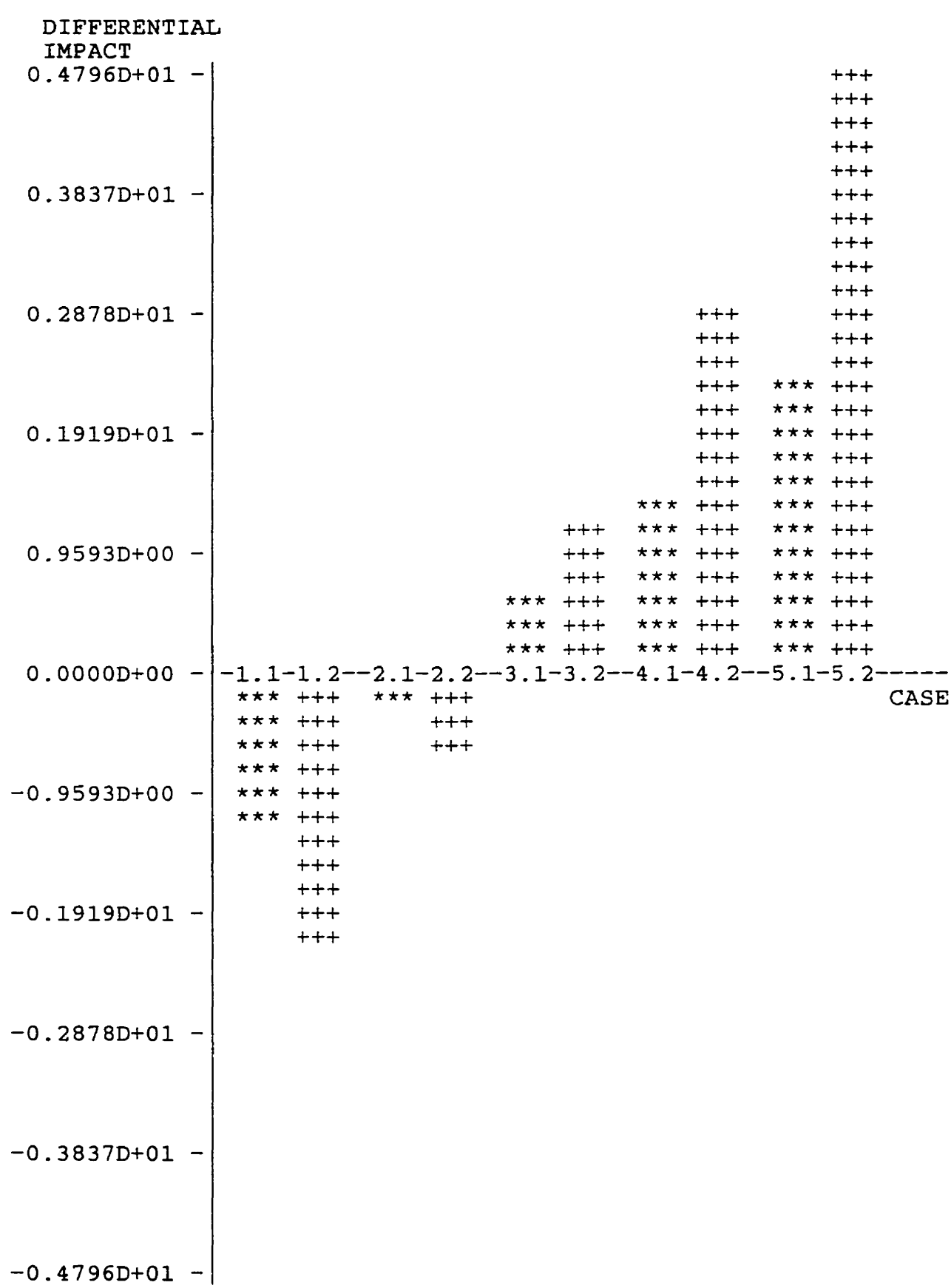


FIGURE J.8 : DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON LABOUR FORCE, 1973:4-1976:3

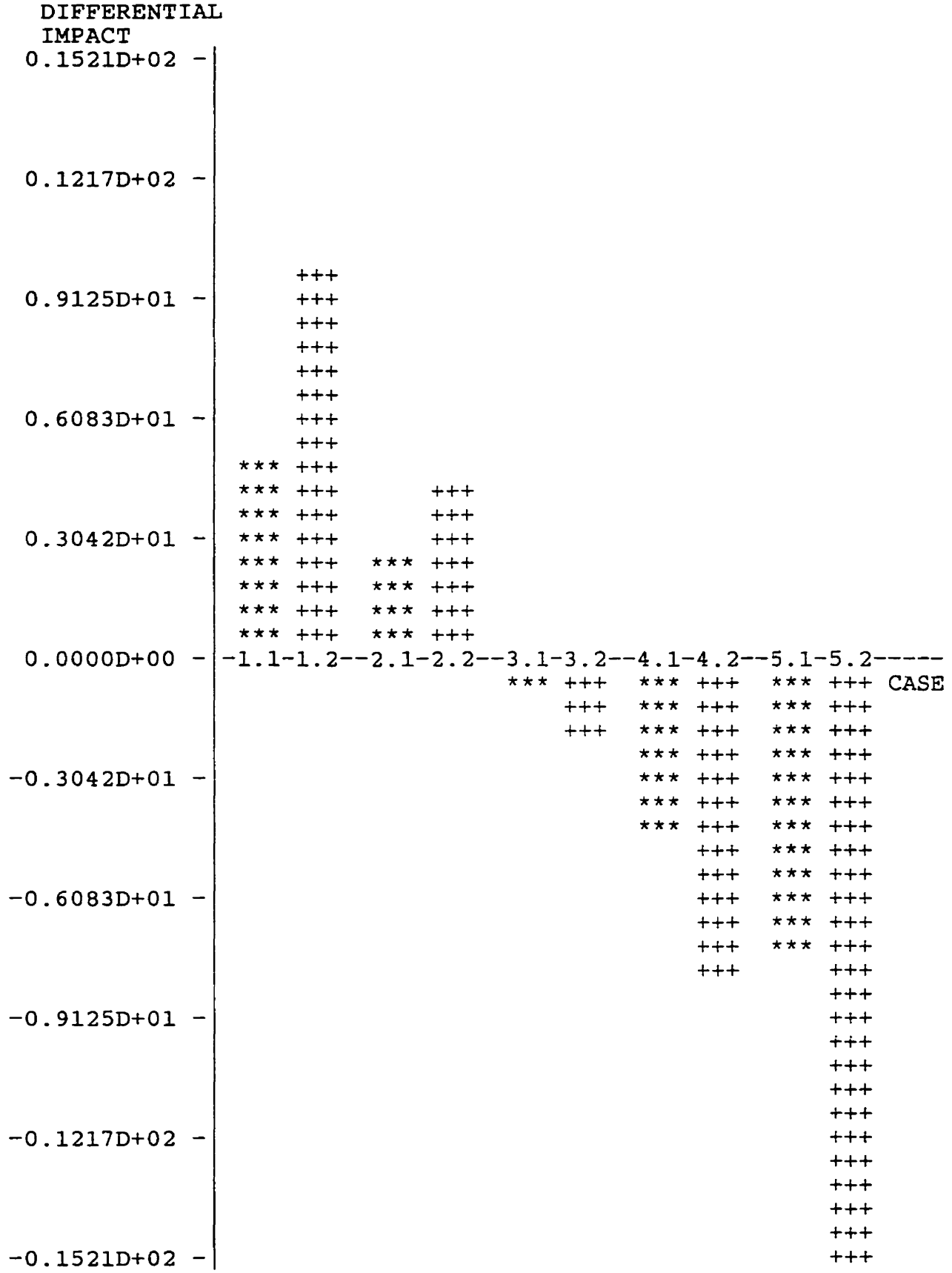


FIGURE J.9 : DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON SPOT EXCHANGE RATE, 1973:4-1976:3

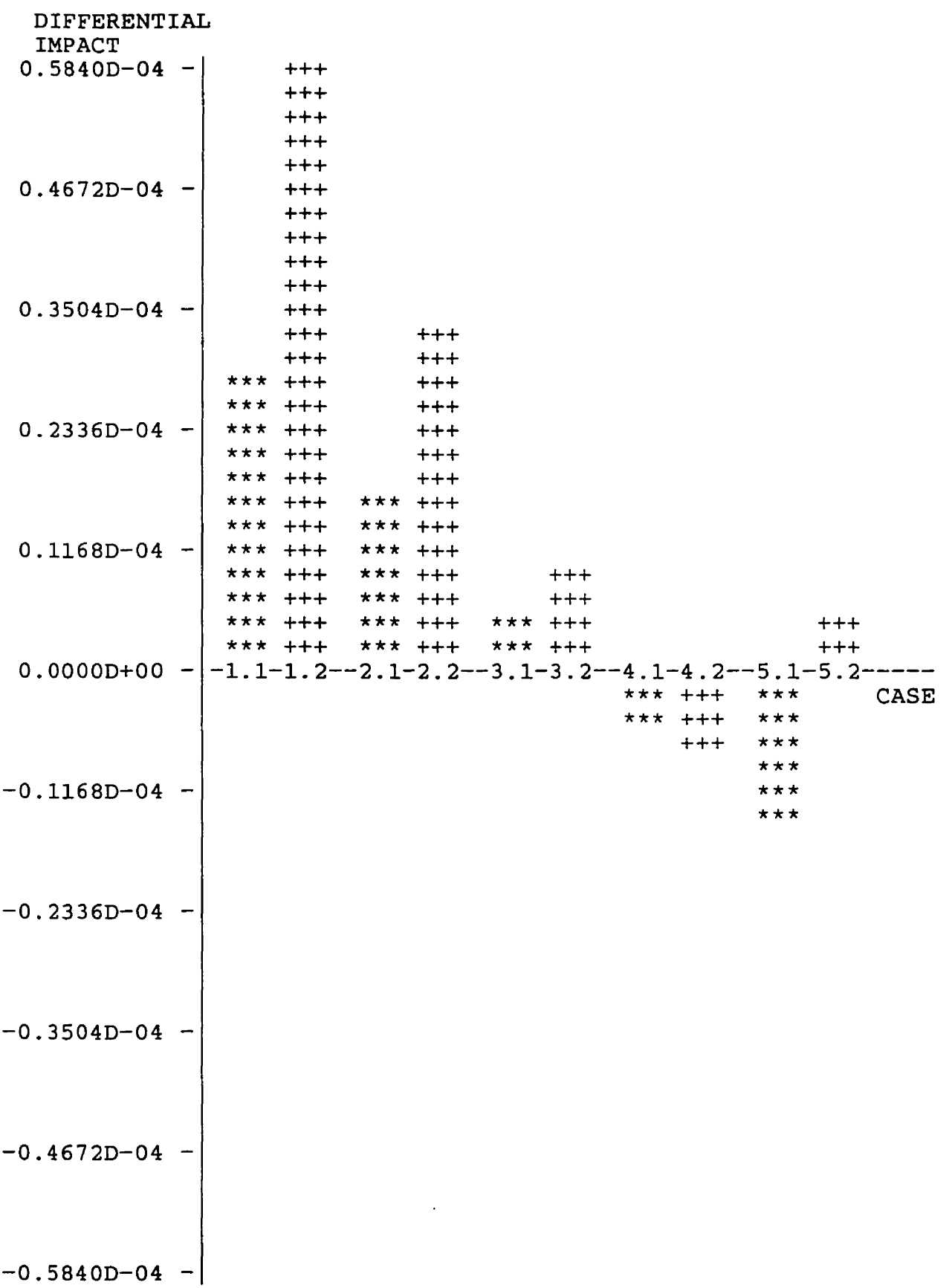


FIGURE J.10: DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON CONSUMER EXPENDITURE, TOTAL, 1973:4-1976:3

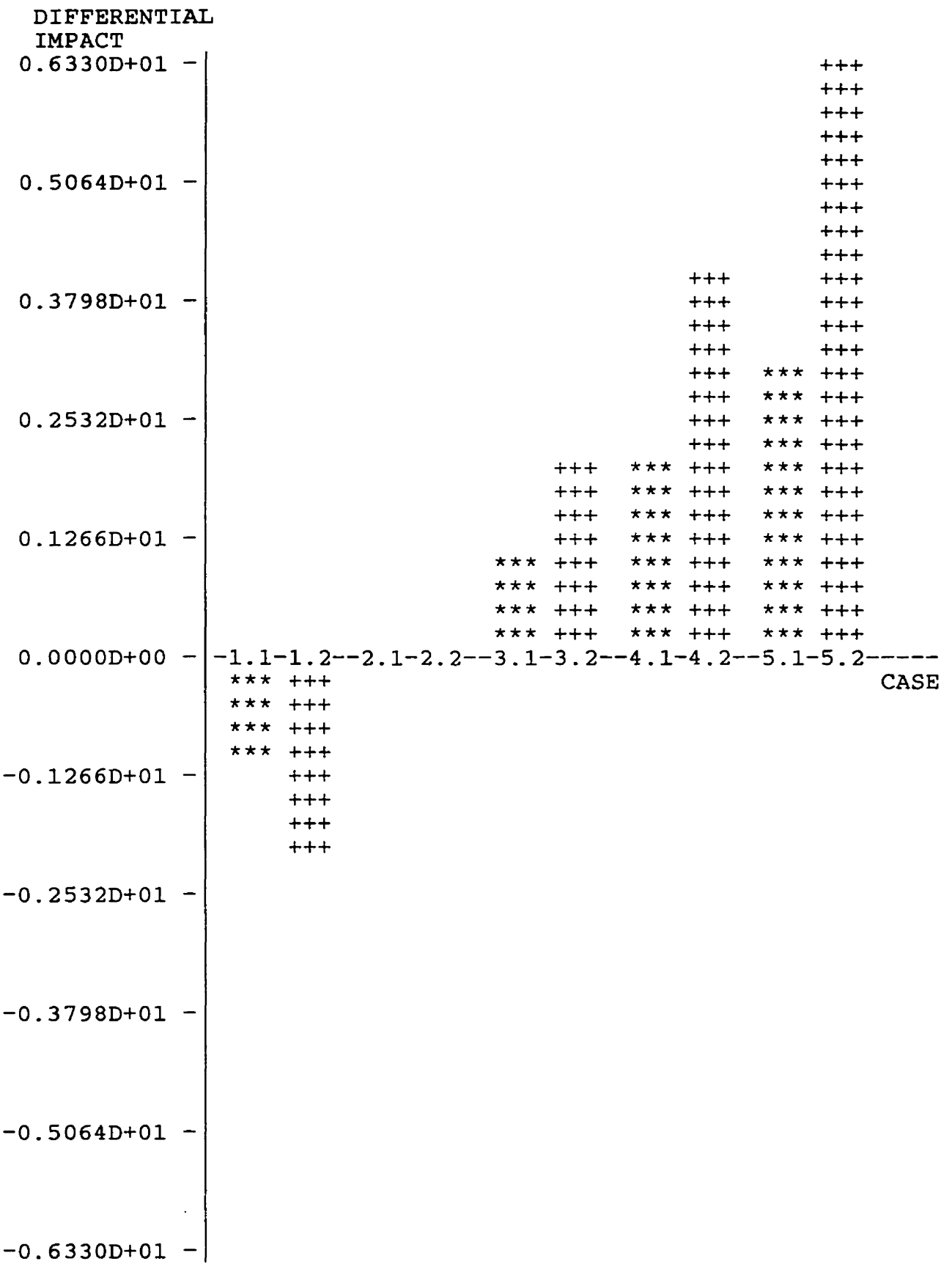


FIGURE J.11: DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON INVESTMENT, TOTAL, 1973:4-1976:3

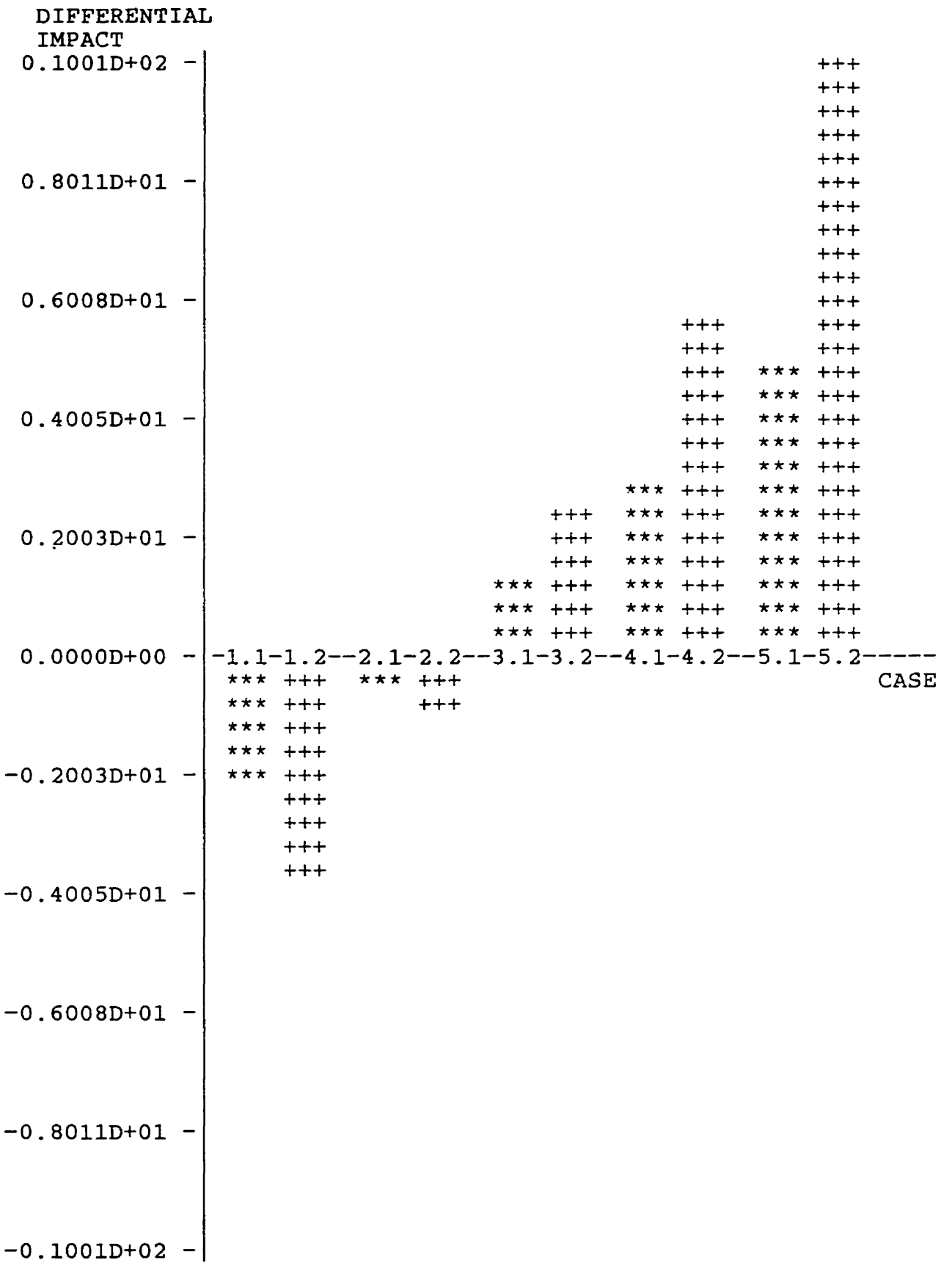


FIGURE K.1 : DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON GNP GAP, 1977:1-1979:4

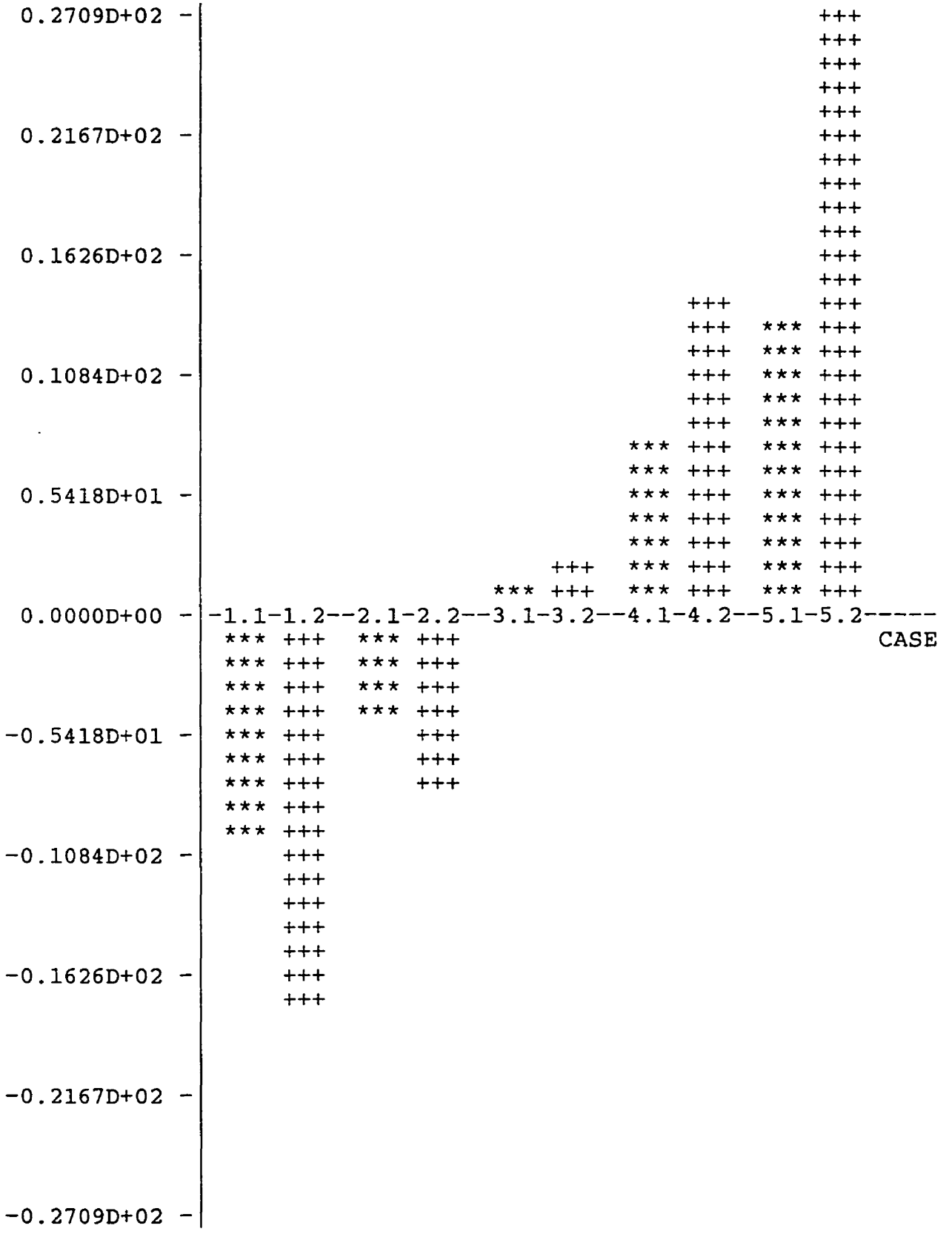


FIGURE K.2 : DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON GNP, 1977:1-1979:4

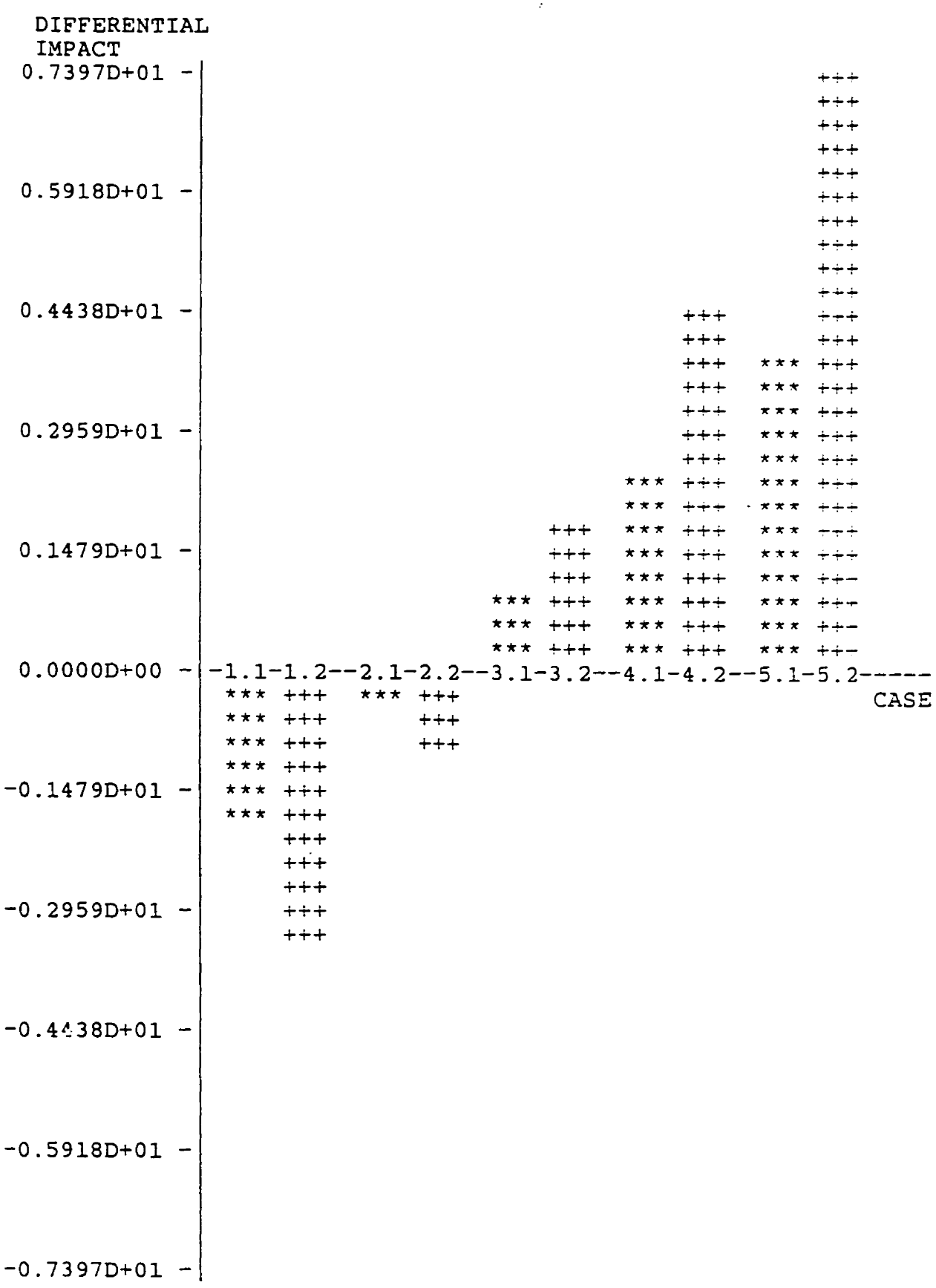


FIGURE K.3 : DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON EMPLOYMENT, 1977:1-1979:4

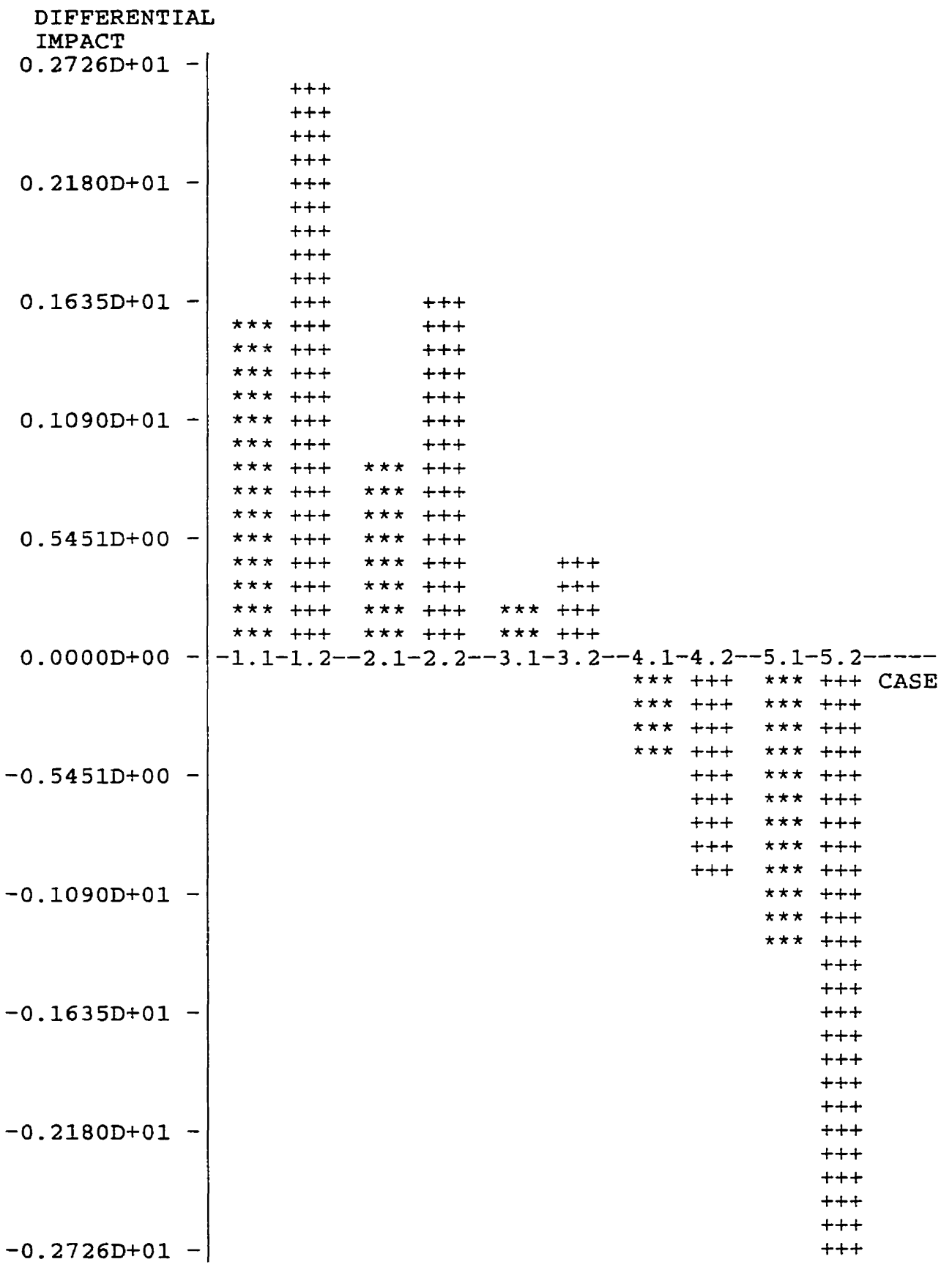


FIGURE K.4 : DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON RATE OF INFLATION, GNP, 1977:1-1979:4

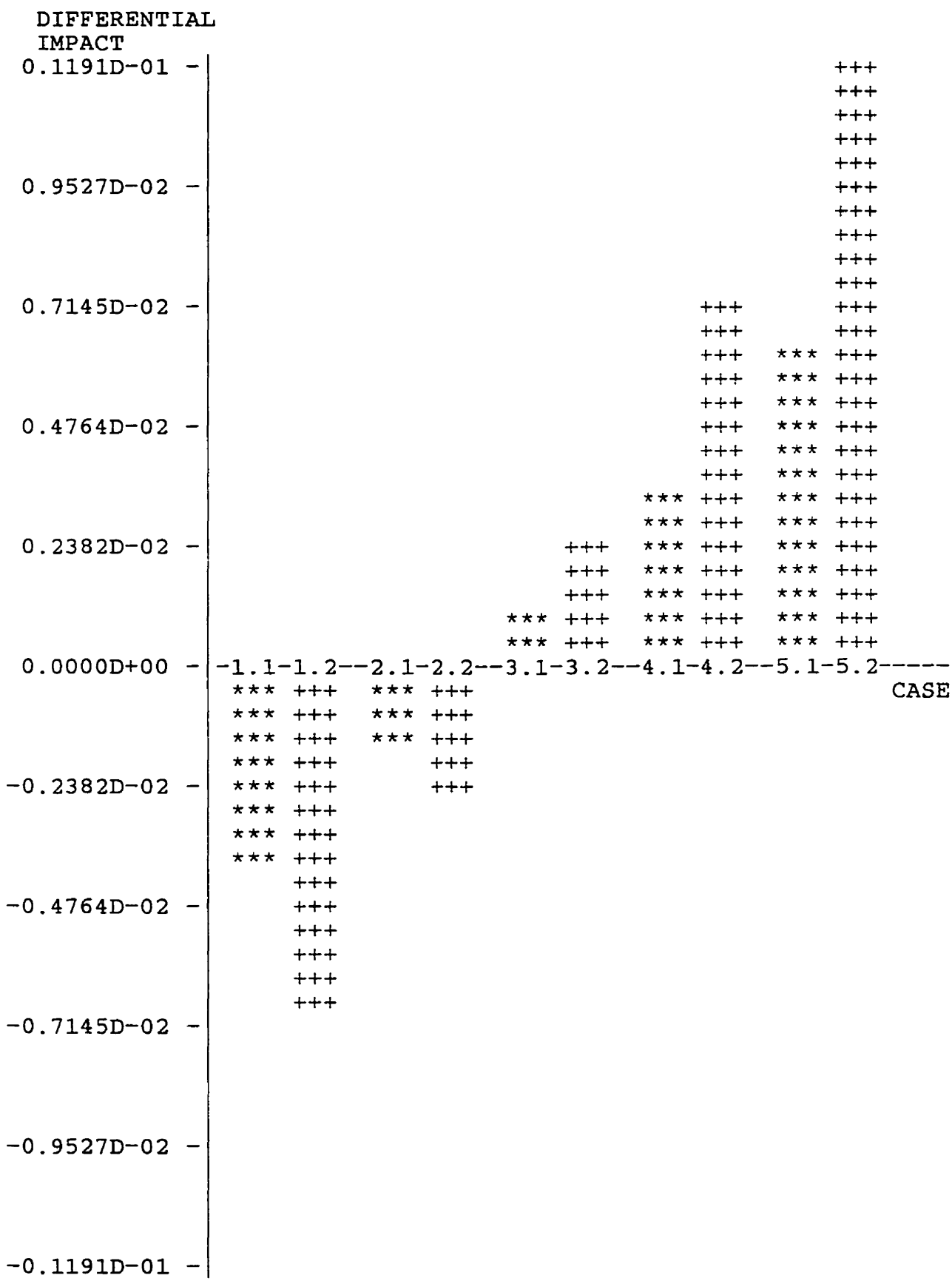


FIGURE K.5 : DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON RATE OF INFLATION, CONSUMER EXPENDITURE, 1977:1-1979:4

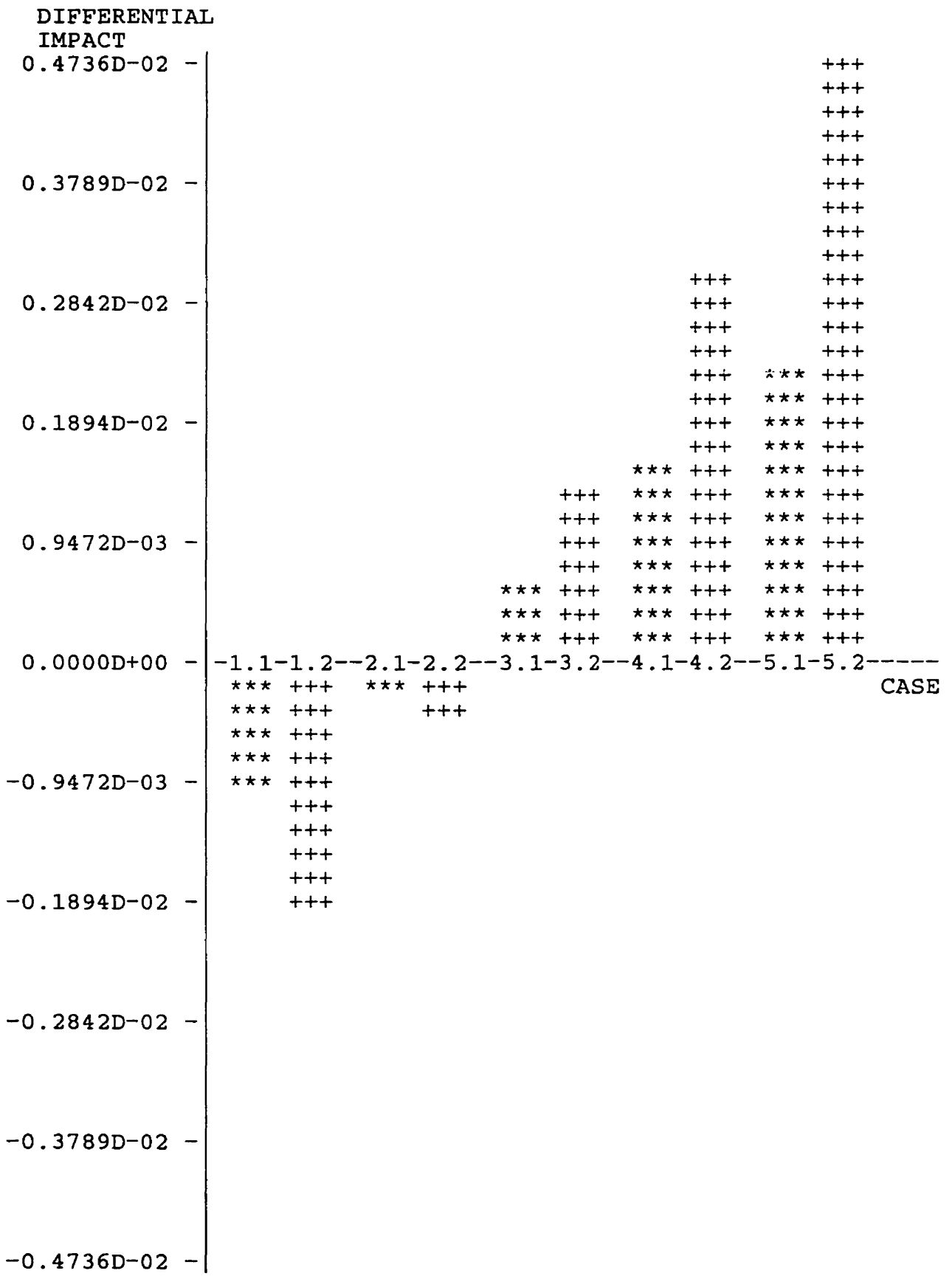


FIGURE K.6 : DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON LABOUR SHARE, 1977:1-1979:4

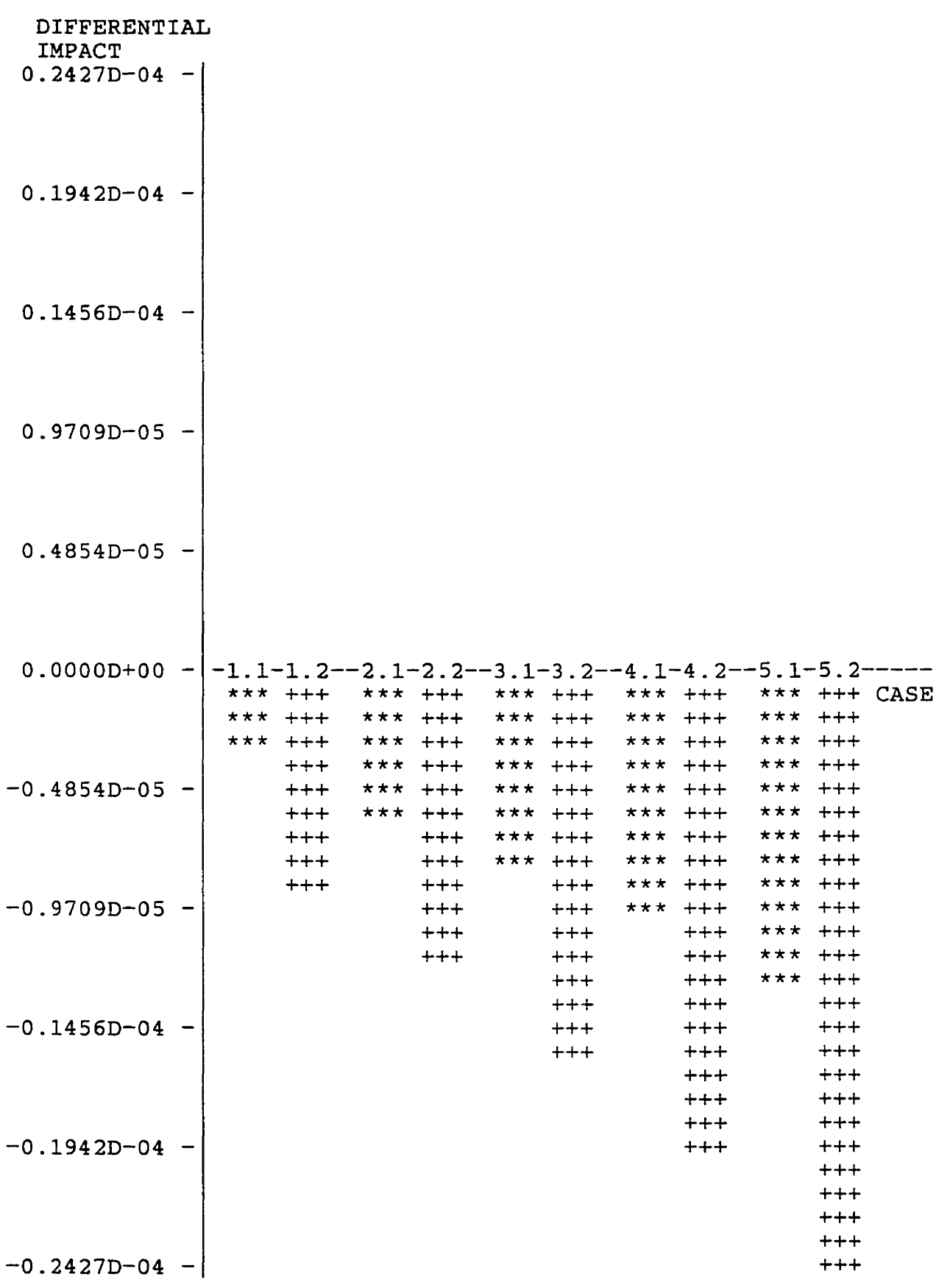


FIGURE K.7 : DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON PERSONAL INCOME TAX IN CURRENT DOLLARS, 1977:1-1979:4

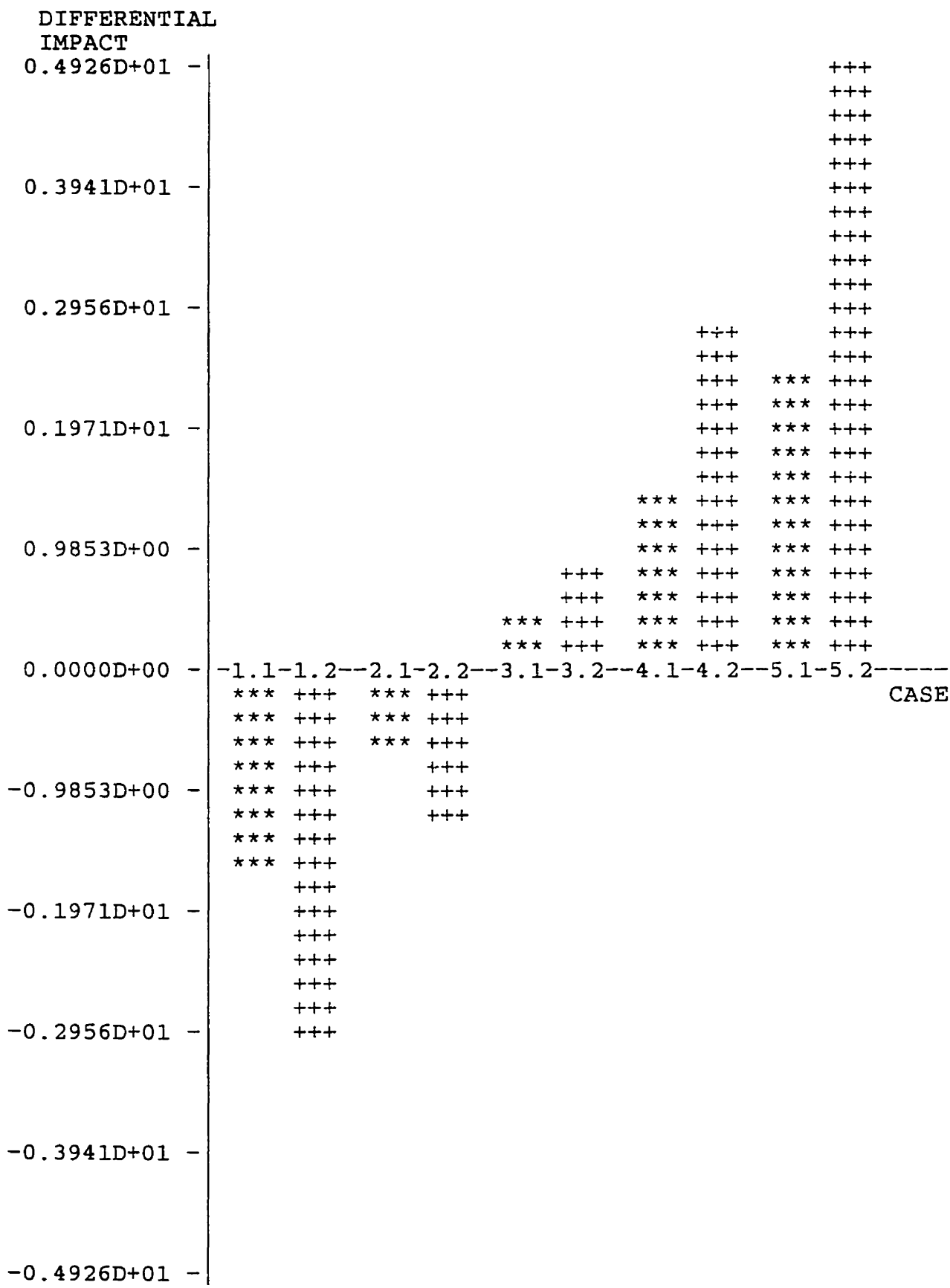


FIGURE K.8 : DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON LABOUR FORCE, 1977:1-1979:4

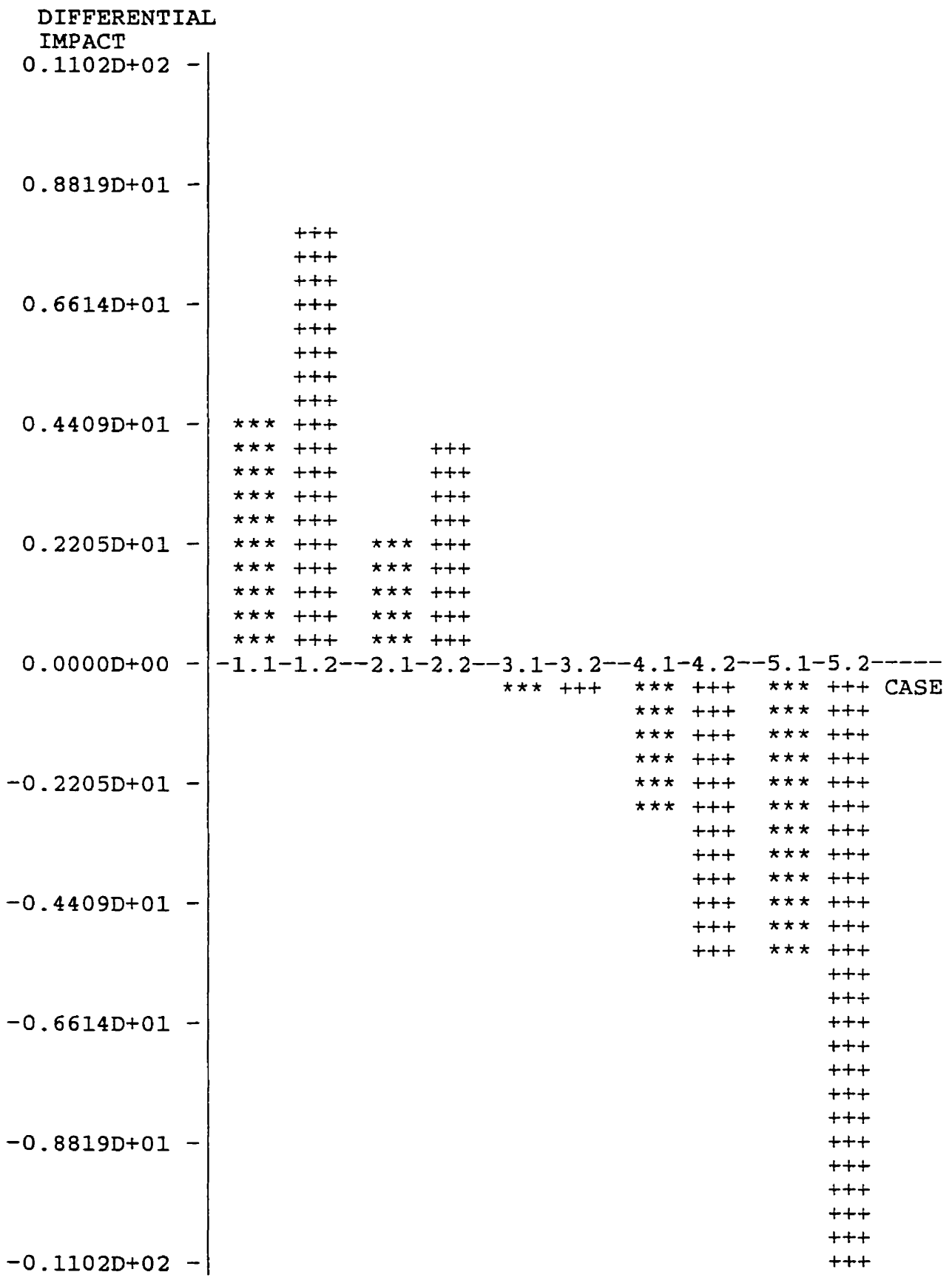


FIGURE K.9 : DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON SPOT EXCHANGE RATE, 1977:1-1979:4

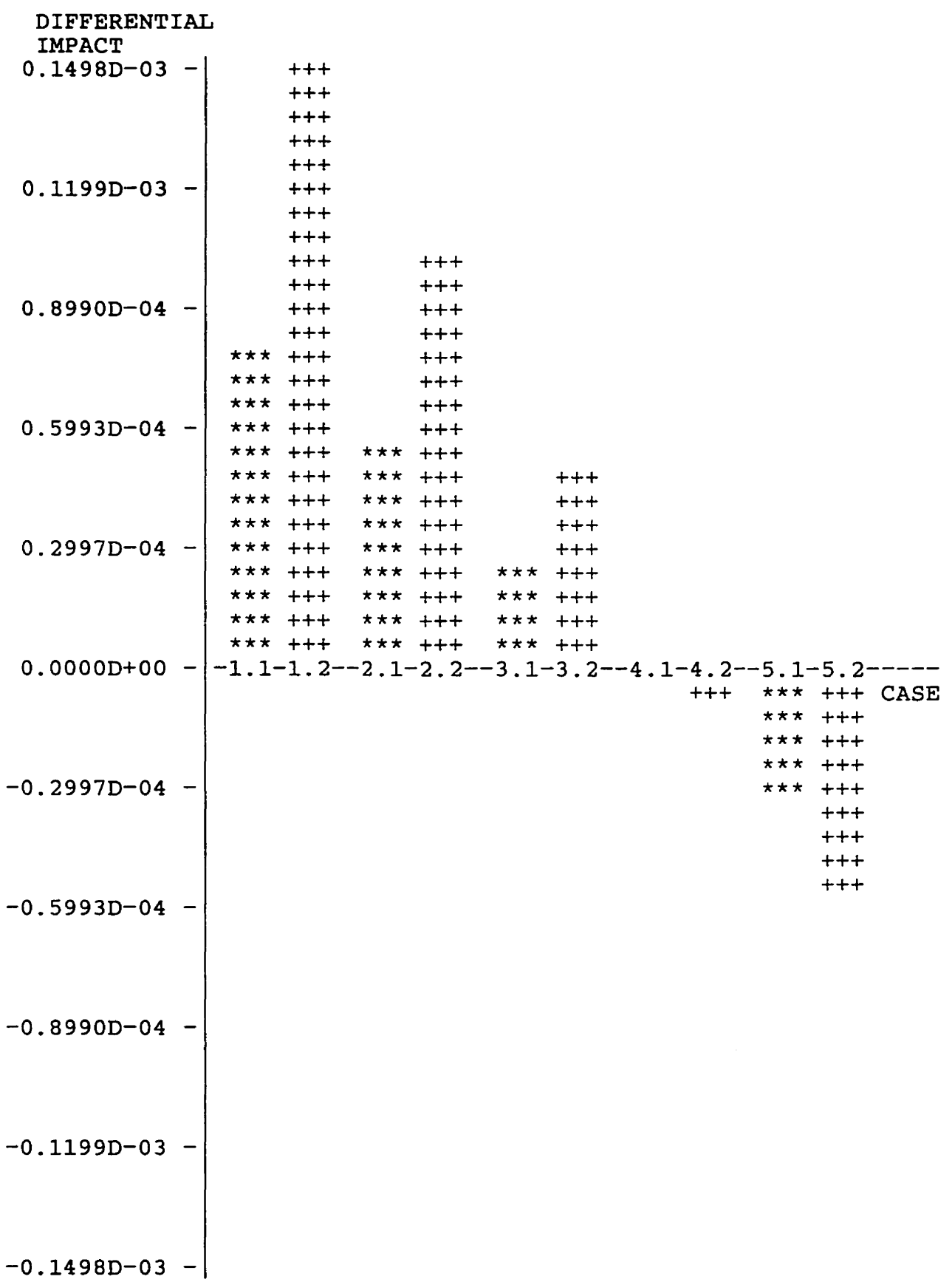


FIGURE K.10: DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON CONSUMER EXPENDITURE, TOTAL, 1977:1-1979:4

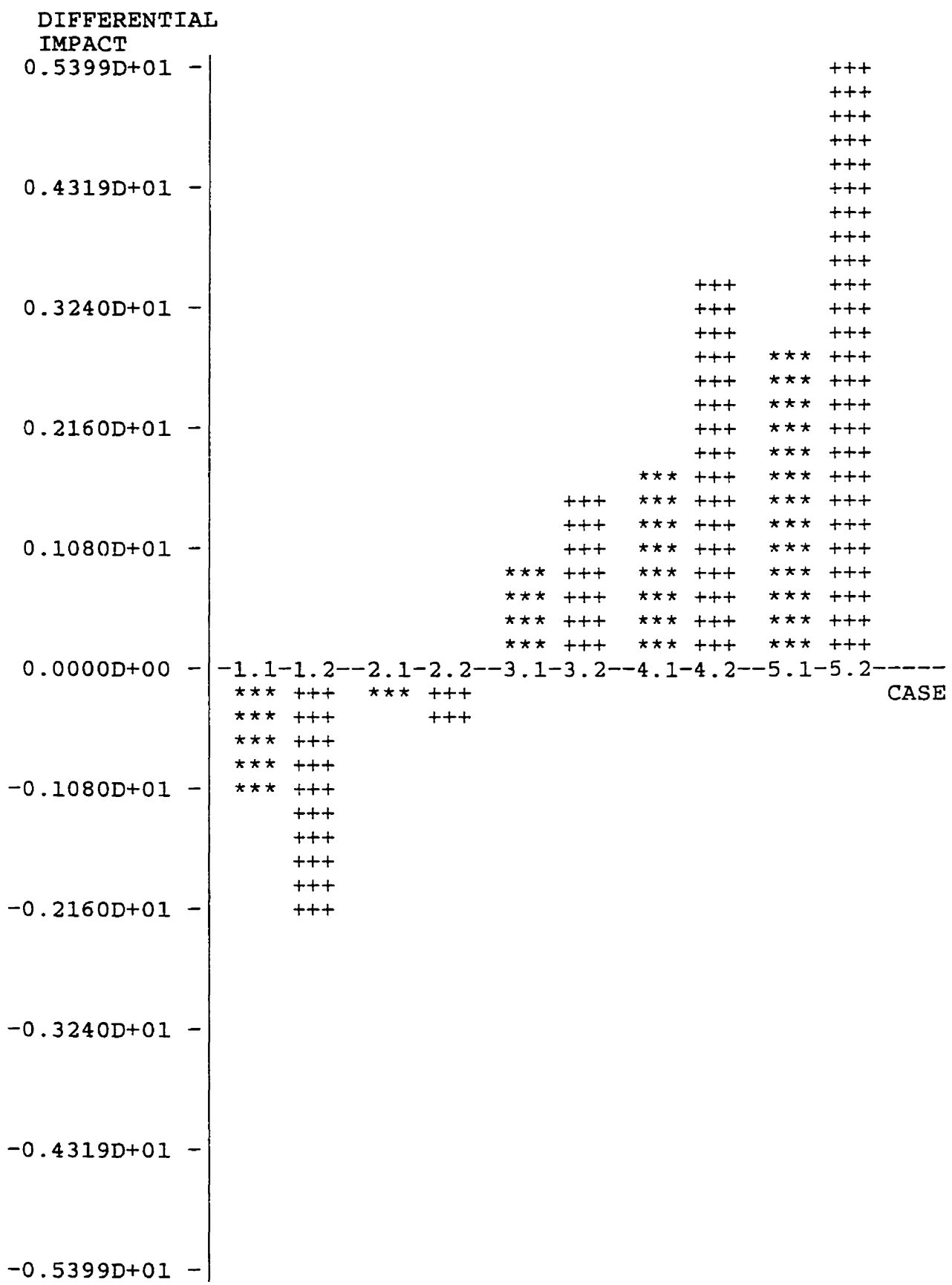


FIGURE K.11: DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON INVESTMENT, TOTAL, 1977:1-1979:4

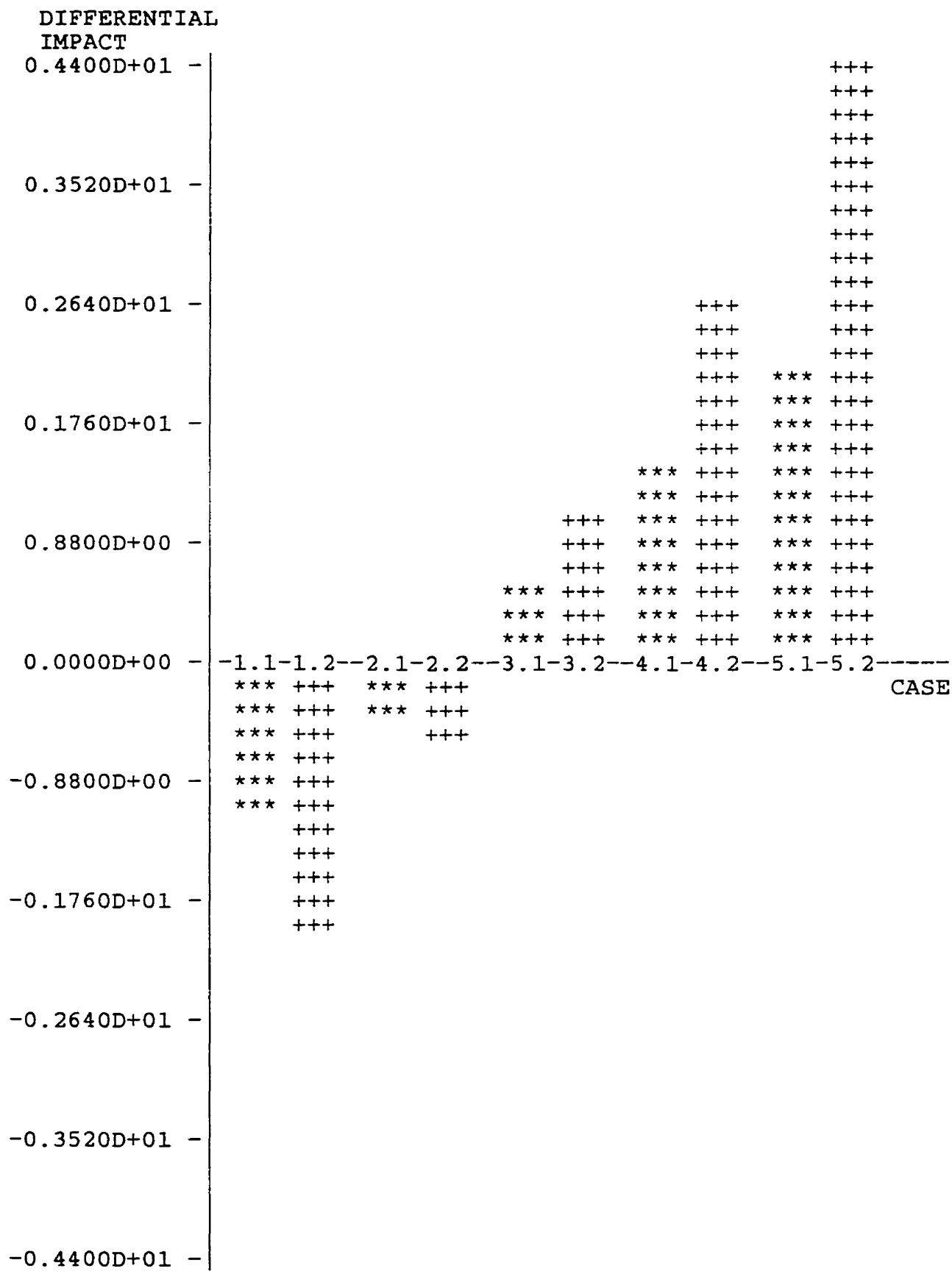


FIGURE L.1 : DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON GNP GAP, 1980:2-1983:1

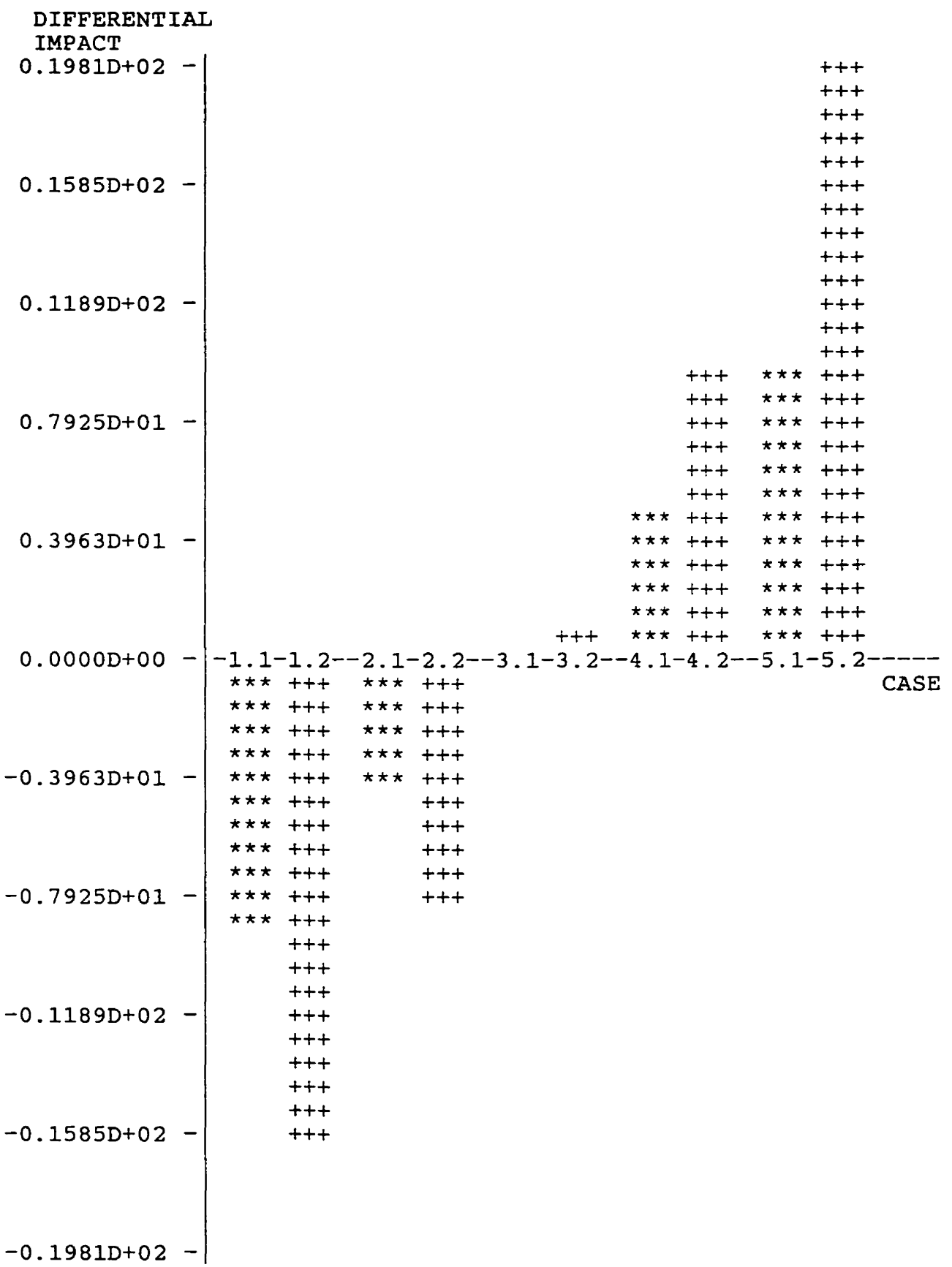


FIGURE L.2 : DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON GNP, 1980:2-1983:1

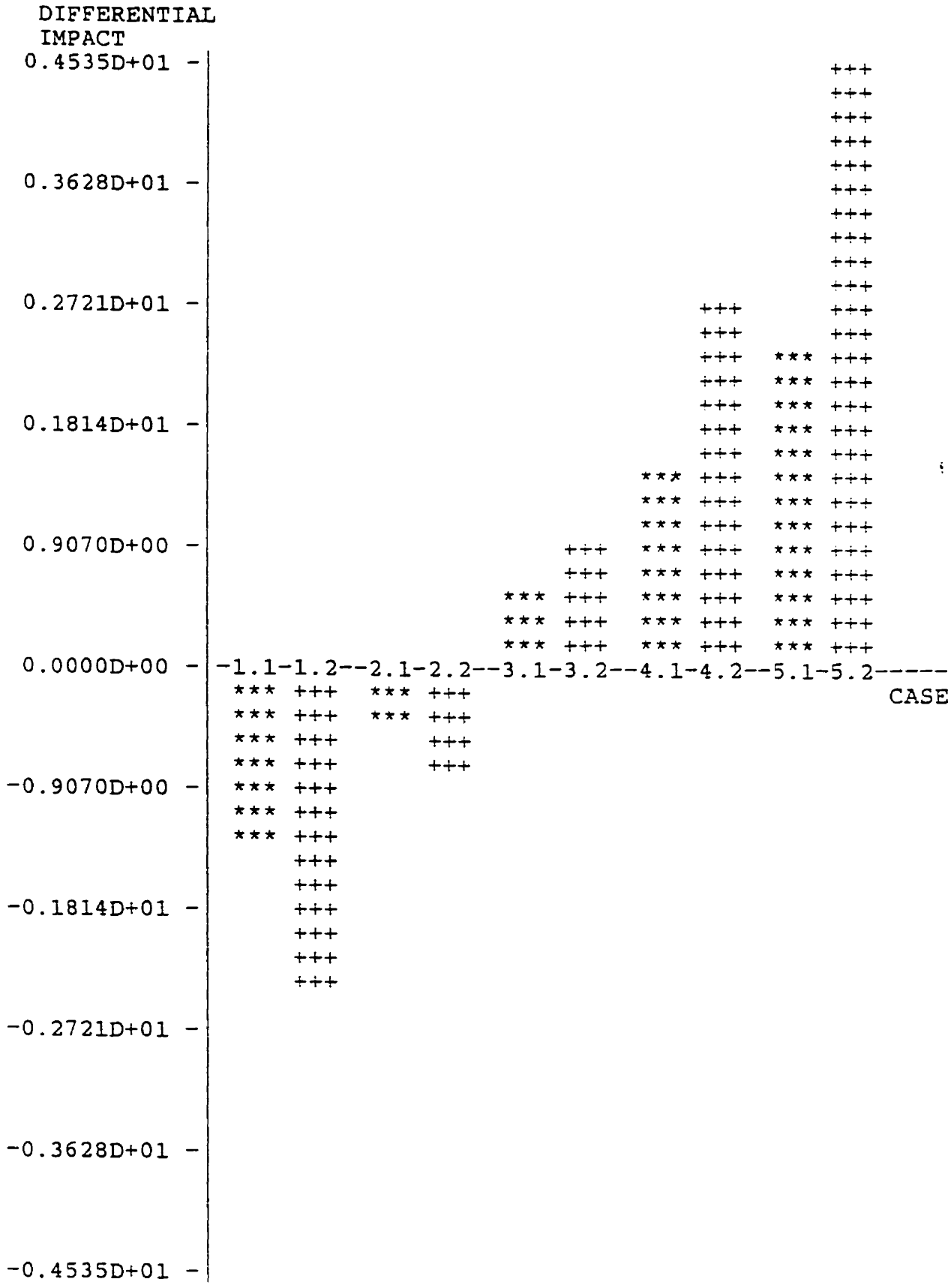


FIGURE L.3 : DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON EMPLOYMENT, 1980:2-1983:1

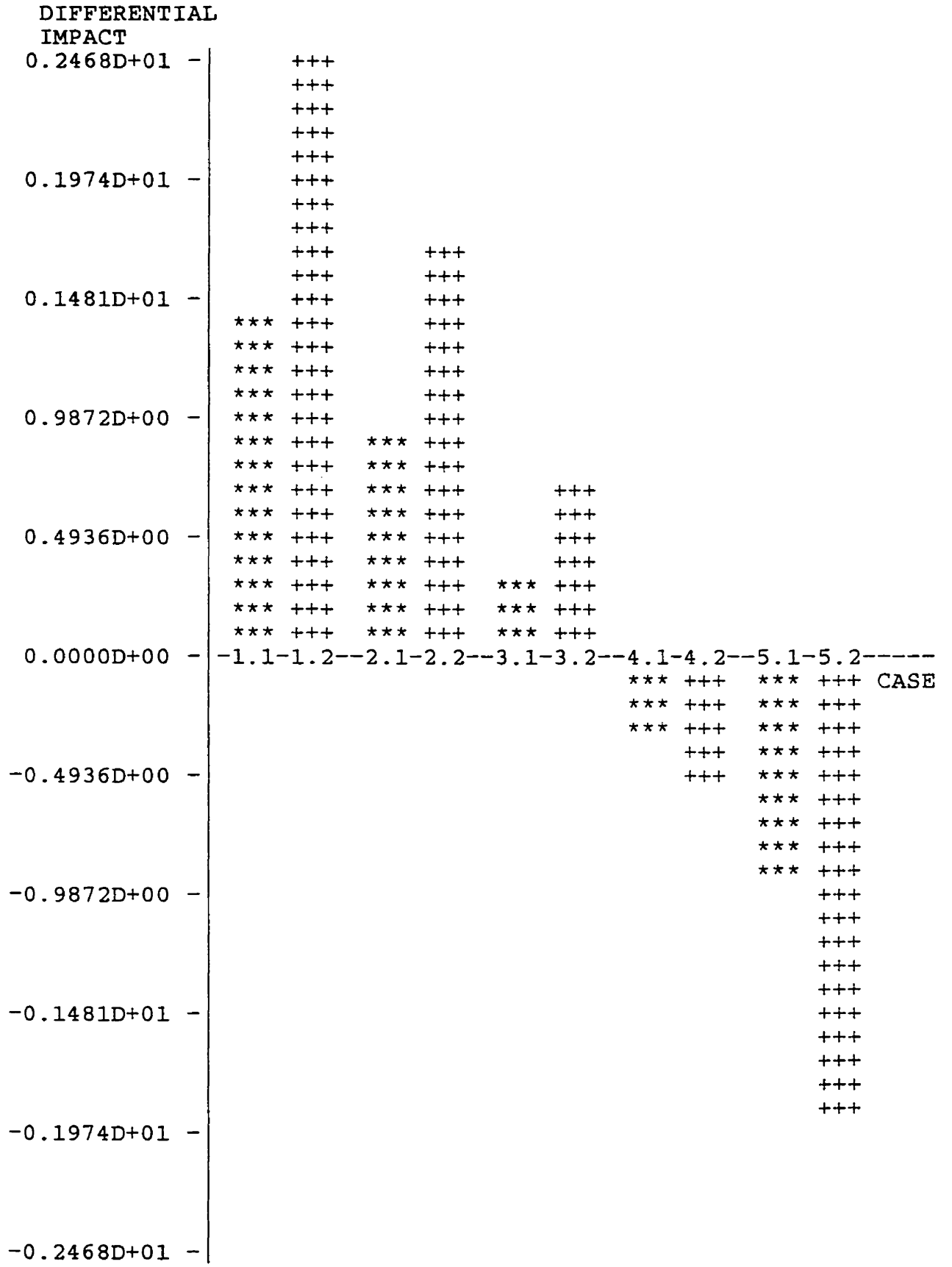


FIGURE L.4 : DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON RATE OF INFLATION, GNP, 1980:2-1983:1

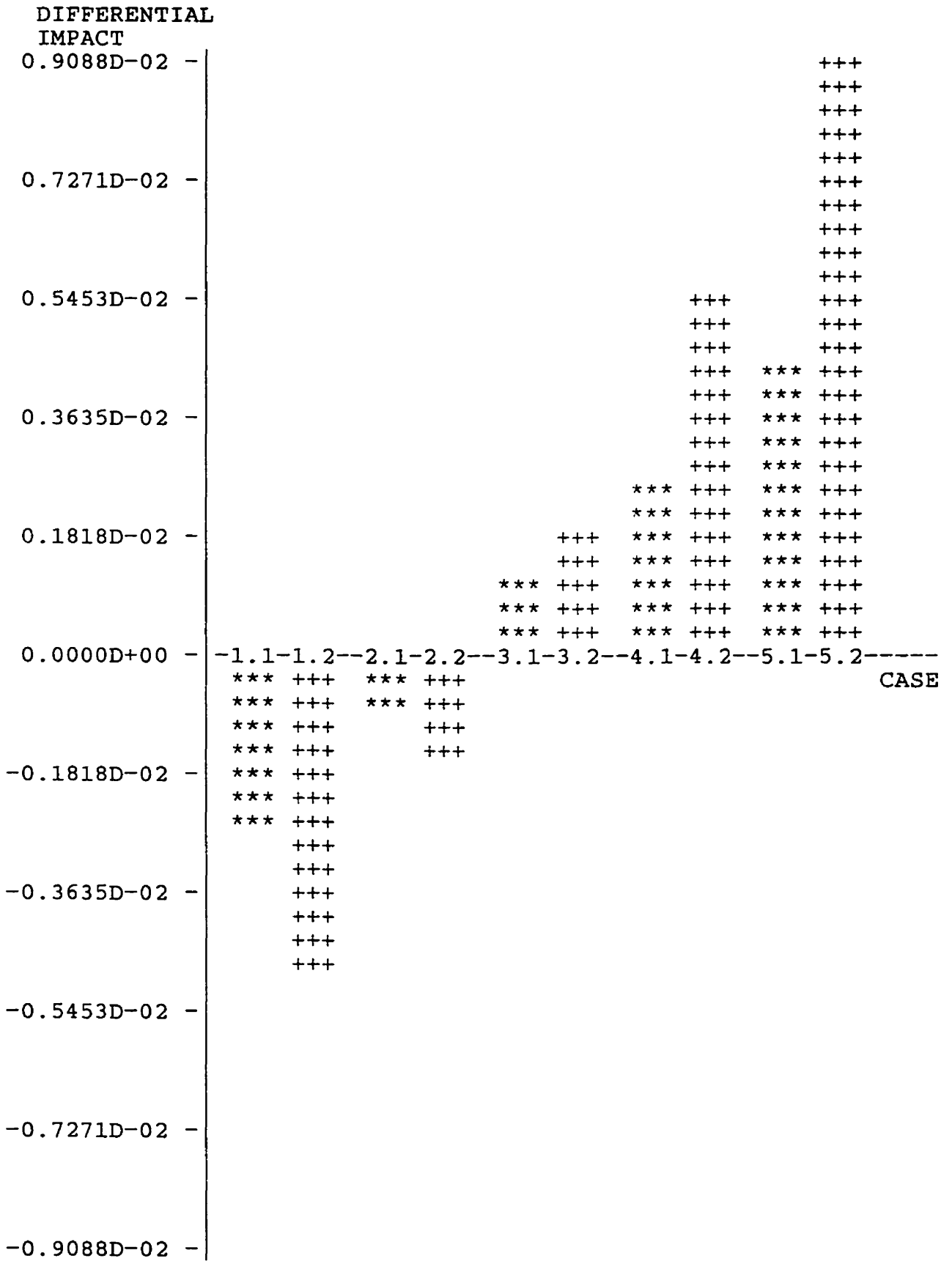


FIGURE L.5 : DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON RATE OF INFLATION, CONSUMER EXPENDITURE, 1980:2-1983:1

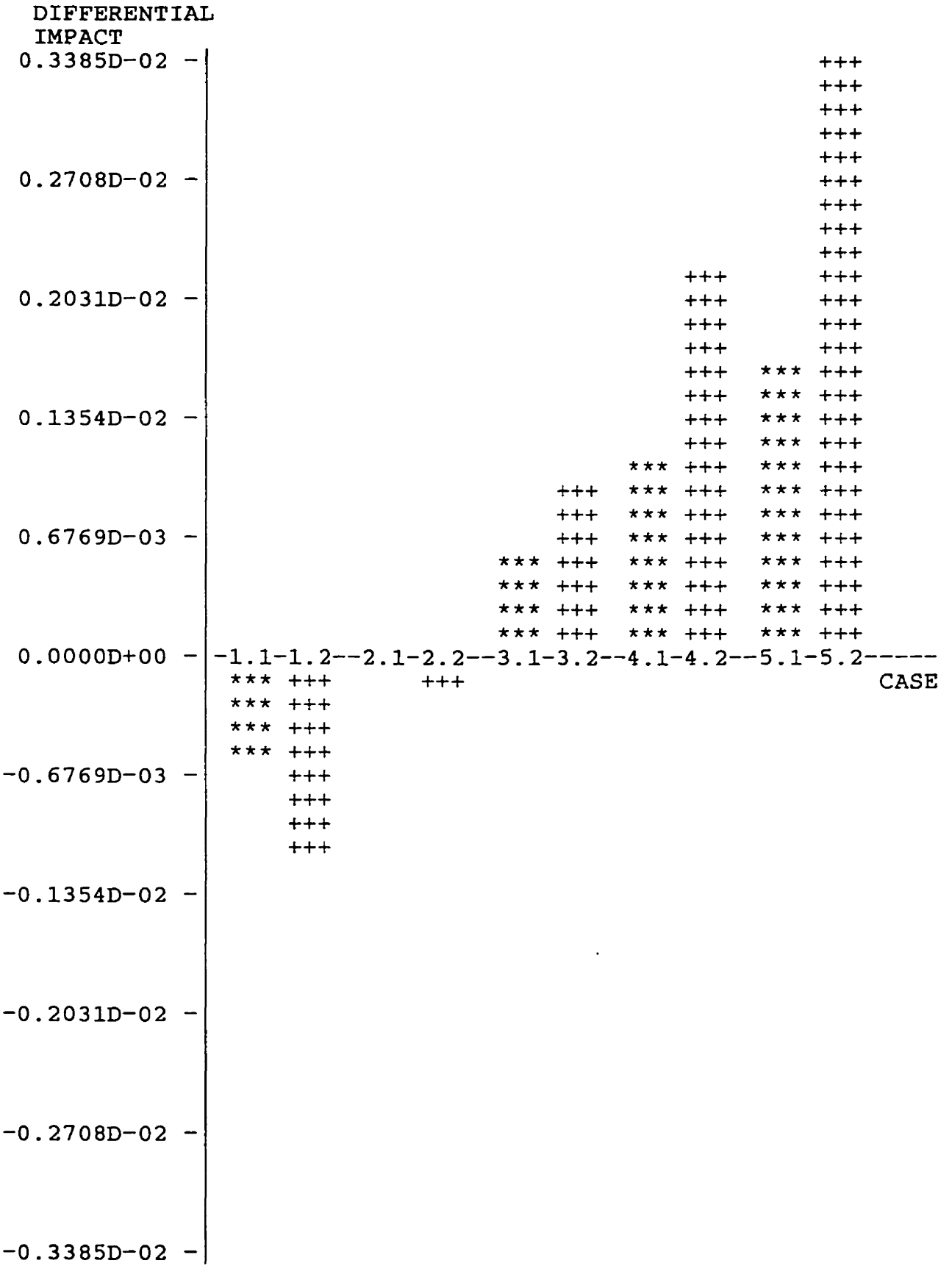


FIGURE L.6 : DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON LABOUR SHARE, 1980:2-1983:1

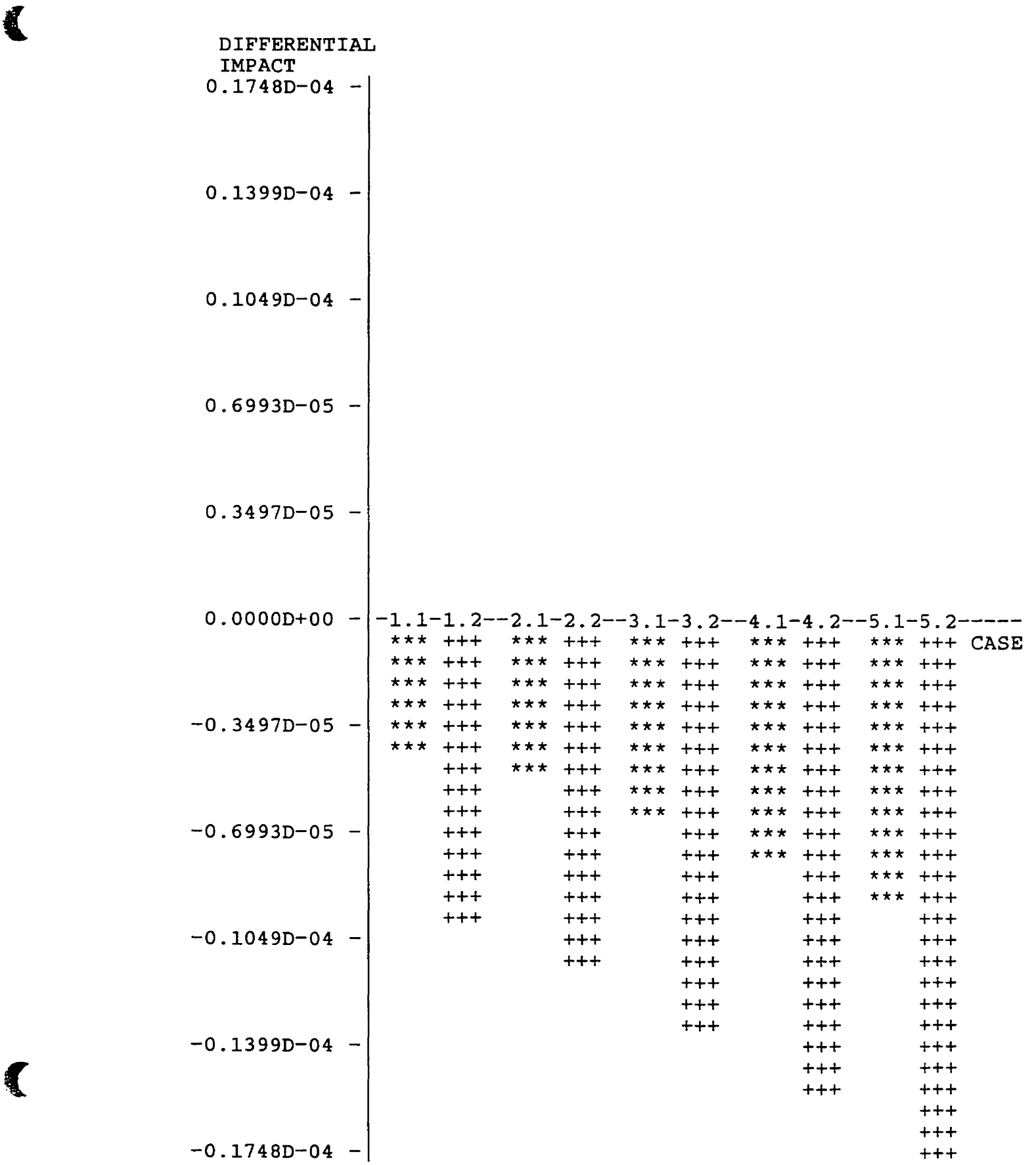


FIGURE L.7 : DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON PERSONAL INCOME TAX IN CURRENT DOLLARS, 1980:2-1983:1

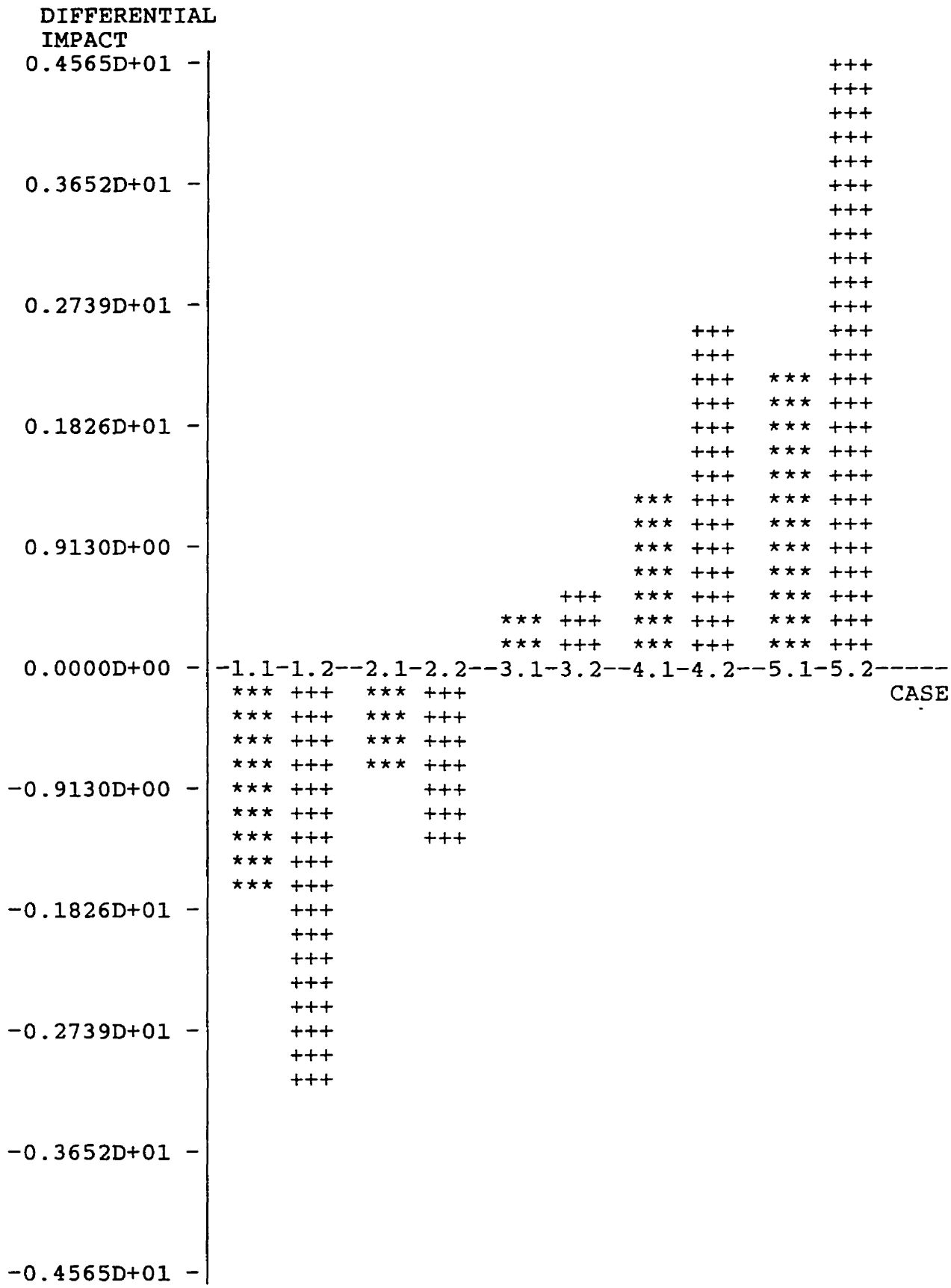


FIGURE L.8 : DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON LABOUR FORCE, 1980:2-1983:1

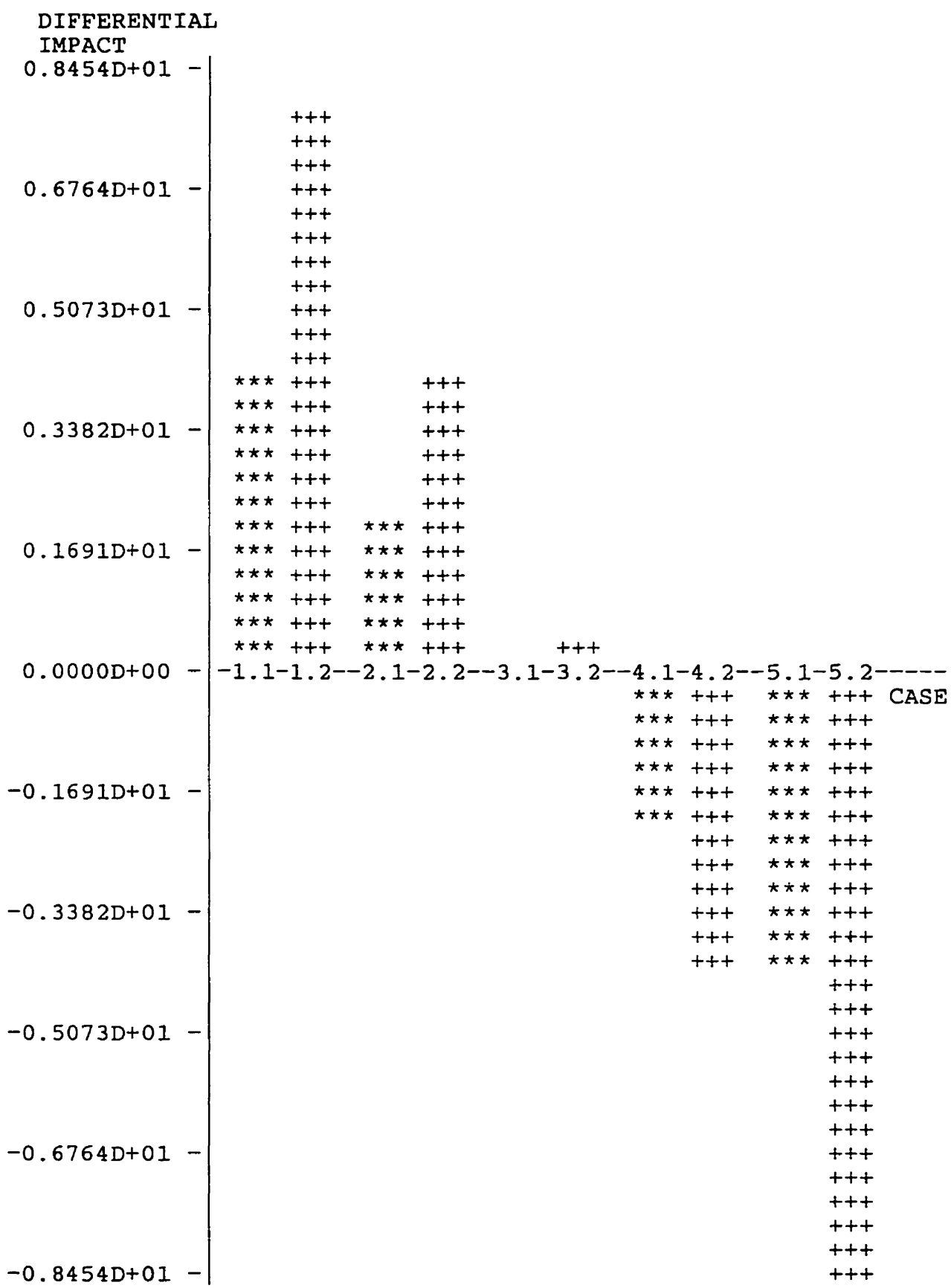


FIGURE L.9 : DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON SPOT EXCHANGE RATE, 1980:2-1983:1

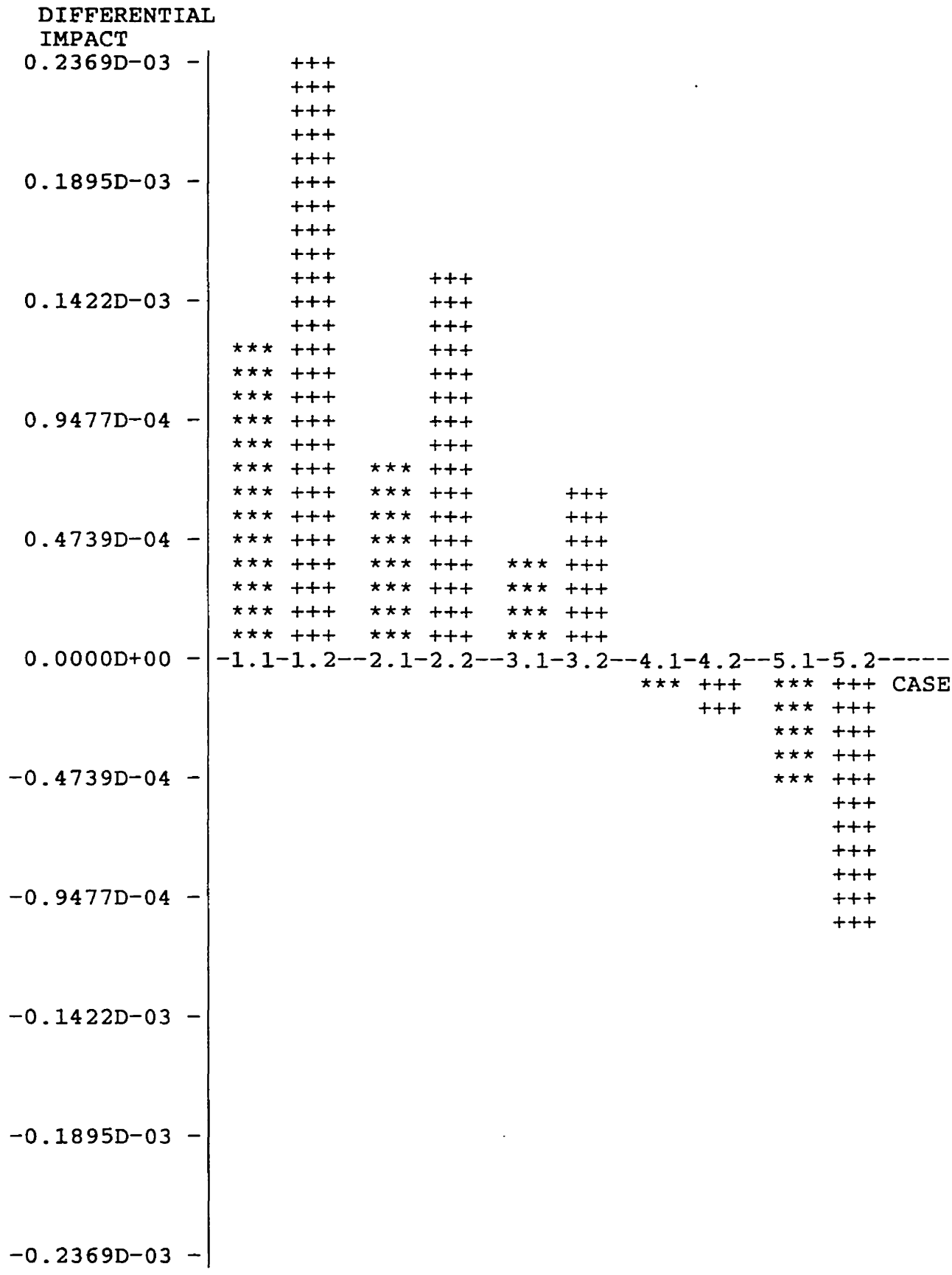


FIGURE L.10: DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON CONSUMER EXPENDITURE, TOTAL, 1980:2-1983:1

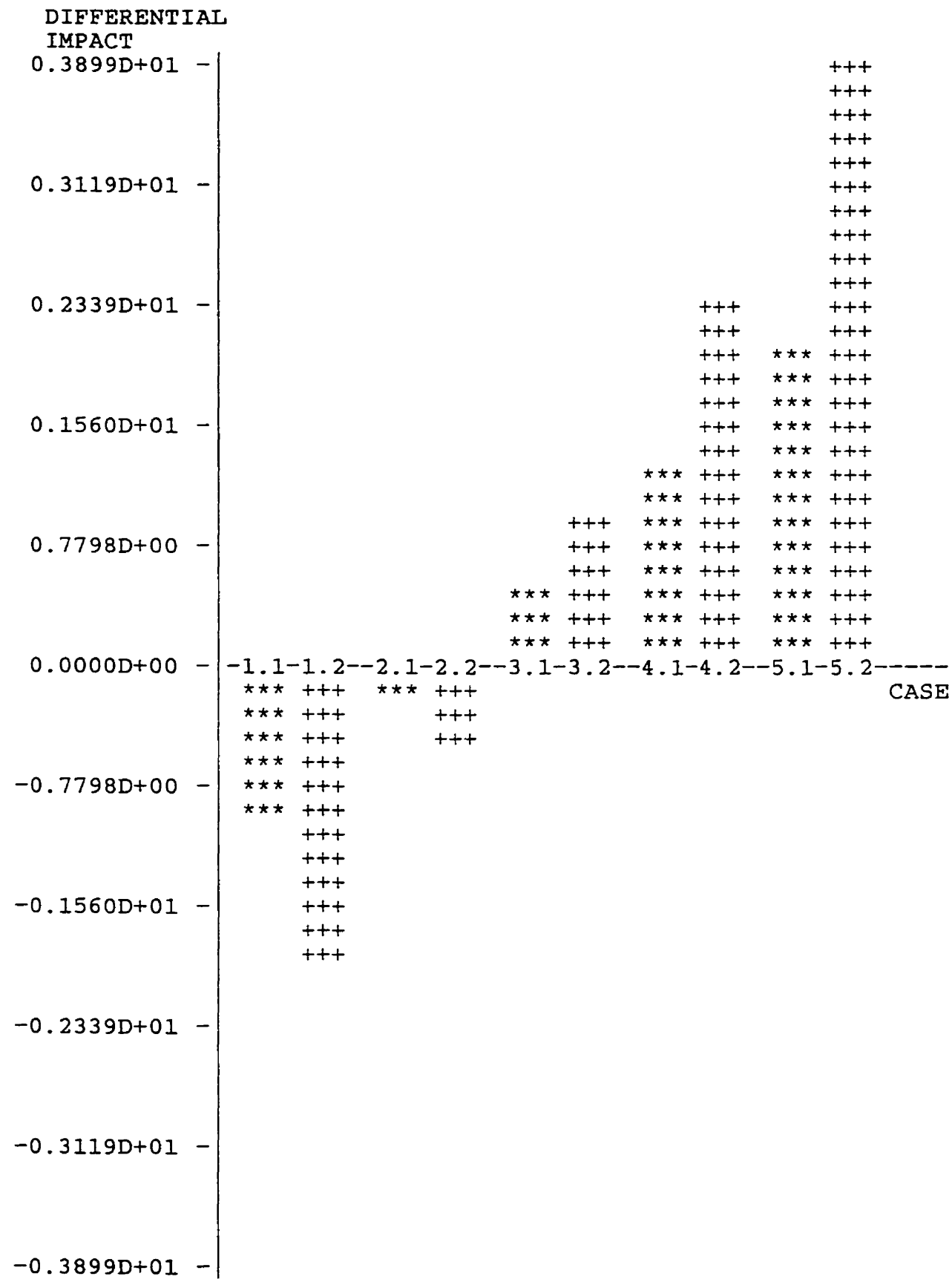
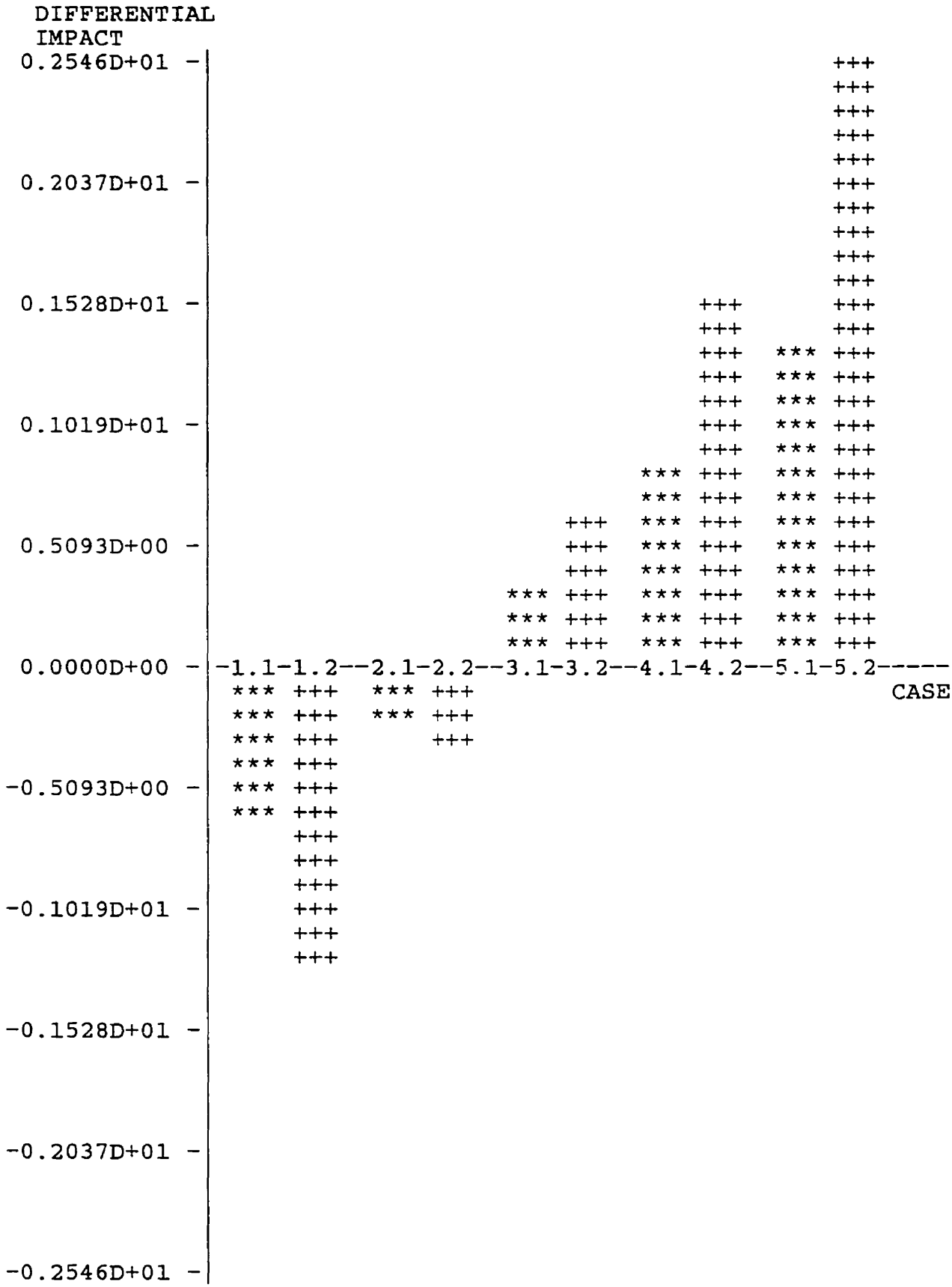


FIGURE L.11: DIFFERENTIAL IMPACT OF A DEMAND SHOCK ON INVESTMENT, TOTAL, 1980:2-1983:1



NOTE TO USERS

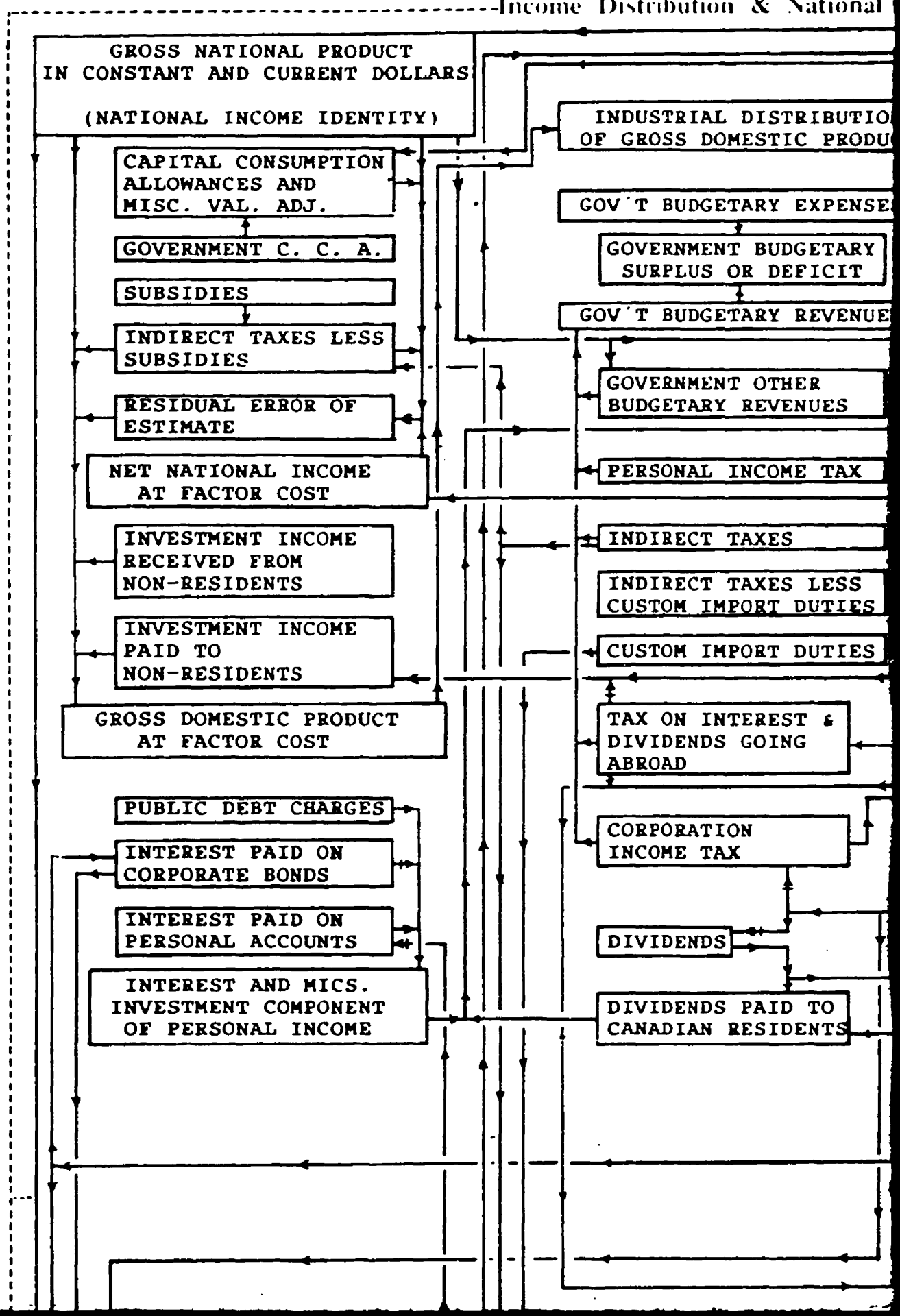
Oversize maps and charts are microfilmed in sections in the following manner:

LEFT TO RIGHT, TOP TO BOTTOM, WITH SMALL OVERLAPS

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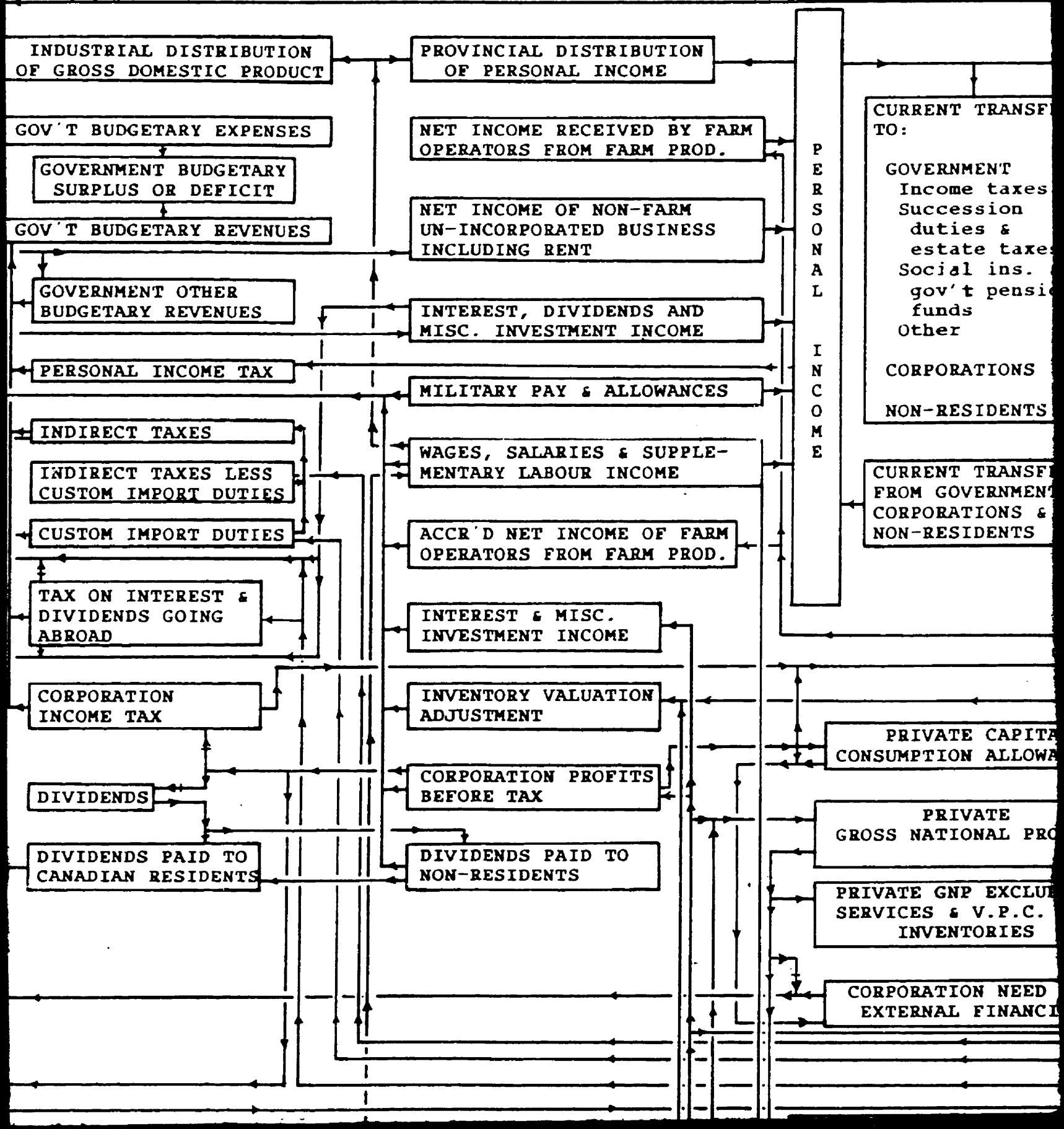
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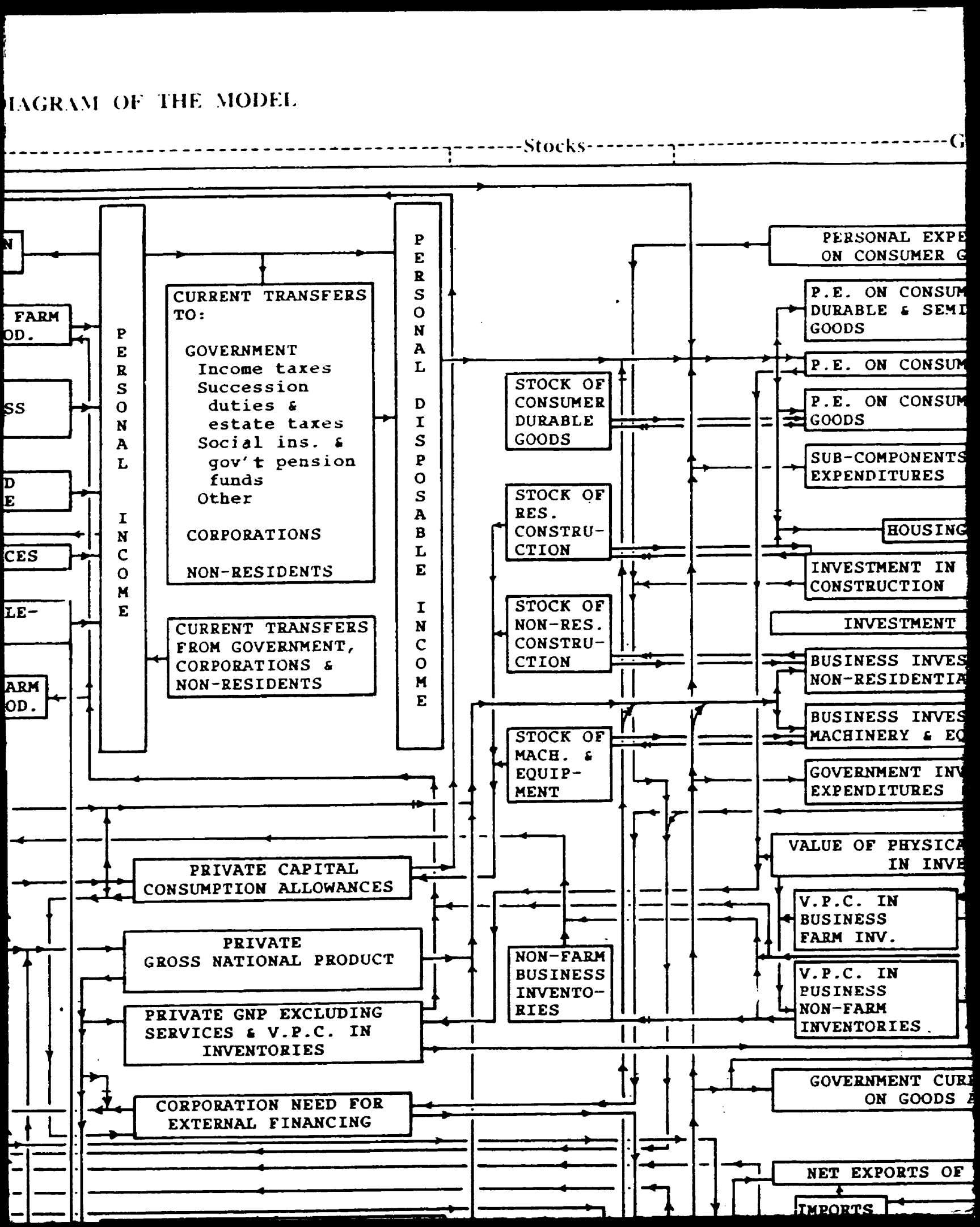

Income Distribution & National
GROSS NATIONAL PRODUCT IN CONSTANT AND CURRENT DOLLARS
(NATIONAL INCOME IDENTITY)
CAPITAL CONSUMPTION ALLOWANCES AND MISC. VAL. ADJ.
GOVERNMENT C. C. A.
SUBSIDIES
INDIRECT TAXES LESS SUBSIDIES
RESIDUAL ERROR OF ESTIMATE
NET NATIONAL INCOME AT FACTOR COST
INVESTMENT INCOME RECEIVED FROM NON-RESIDENTS
INVESTMENT INCOME PAID TO NON-RESIDENTS
GROSS DOMESTIC PRODUCT AT FACTOR COST
PUBLIC DEBT CHARGES
INTEREST PAID ON CORPORATE BONDS
INTEREST PAID ON PERSONAL ACCOUNTS
INTEREST AND MICS. INVESTMENT COMPONENT OF PERSONAL INCOME
INDUSTRIAL DISTRIBUTIO
OF GROSS DOMESTIC PRODU
GOV'T BUDGETARY EXPENSE
GOVERNMENT BUDGETARY SURPLUS OR DEFICIT
GOV'T BUDGETARY REVENUE
GOVERNMENT OTHER BUDGETARY REVENUES
PERSONAL INCOME TAX
INDIRECT TAXES
INDIRECT TAXES LESS CUSTOM IMPORT DUTIES
CUSTOM IMPORT DUTIES
TAX ON INTEREST & DIVIDENDS GOING ABROAD
CORPORATION INCOME TAX
DIVIDENDS
DIVIDENDS PAID TO CANADIAN RESIDENTS

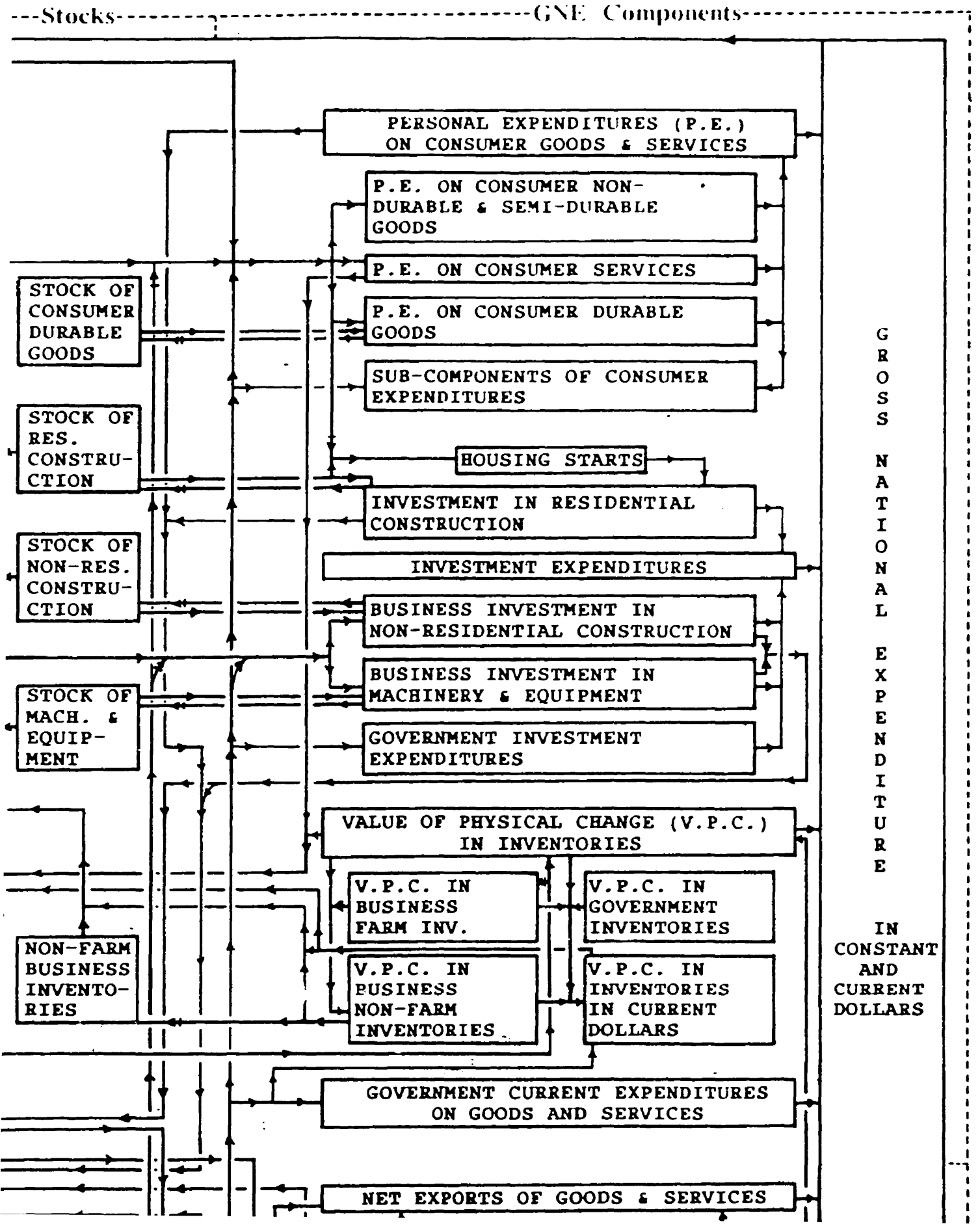
FLOW DIAGRAM OF THE MODEL

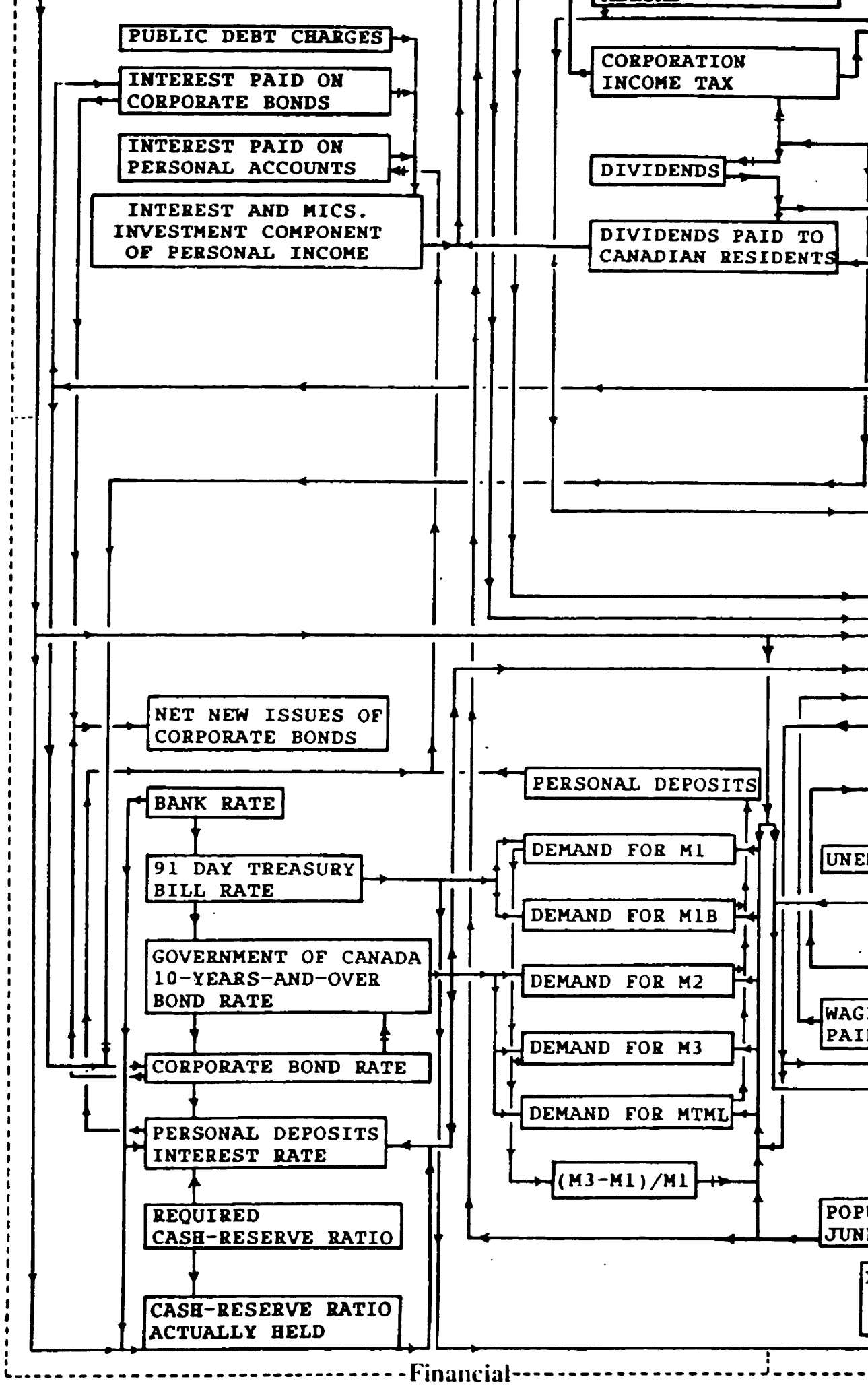
e Distribution & National Accounts

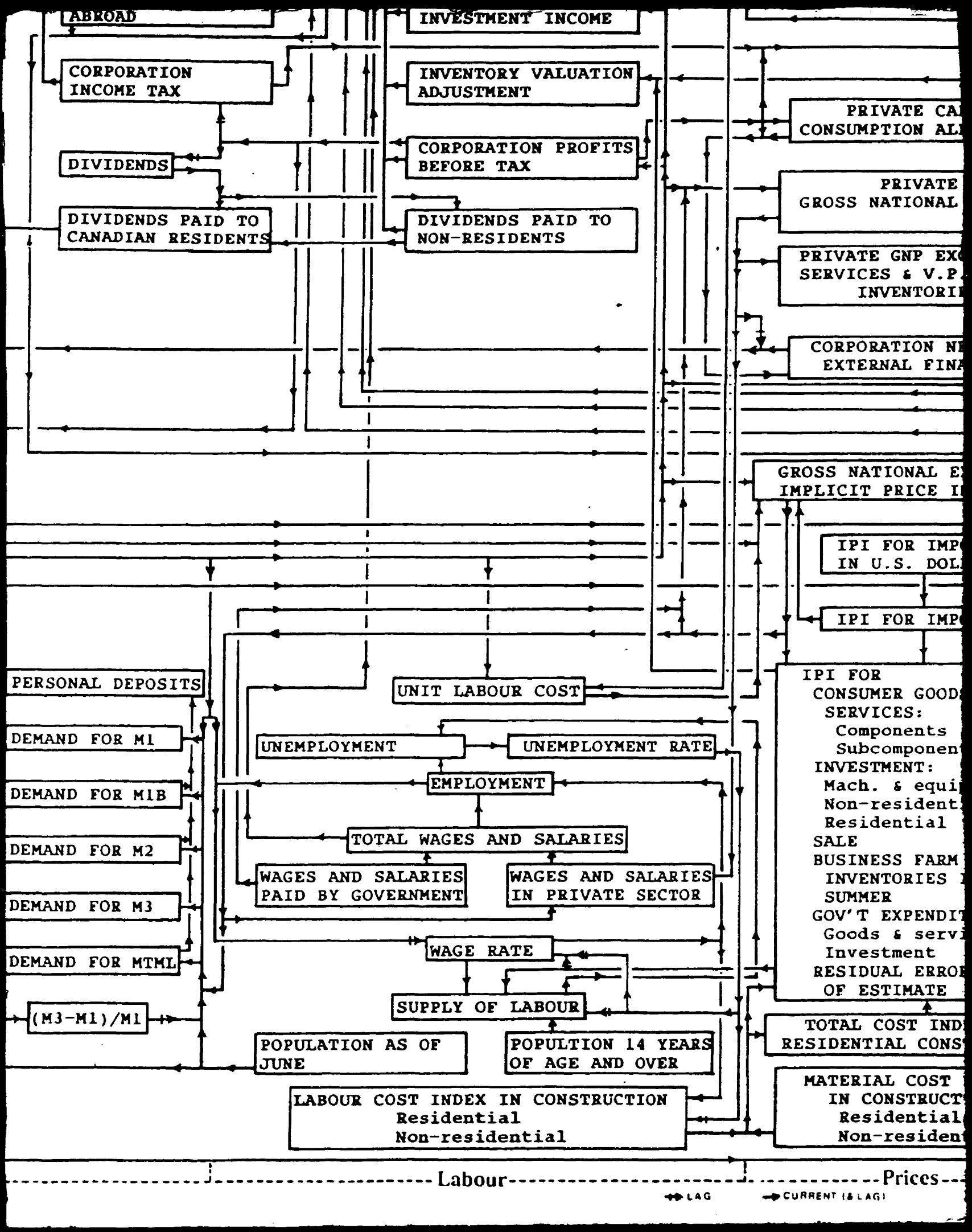


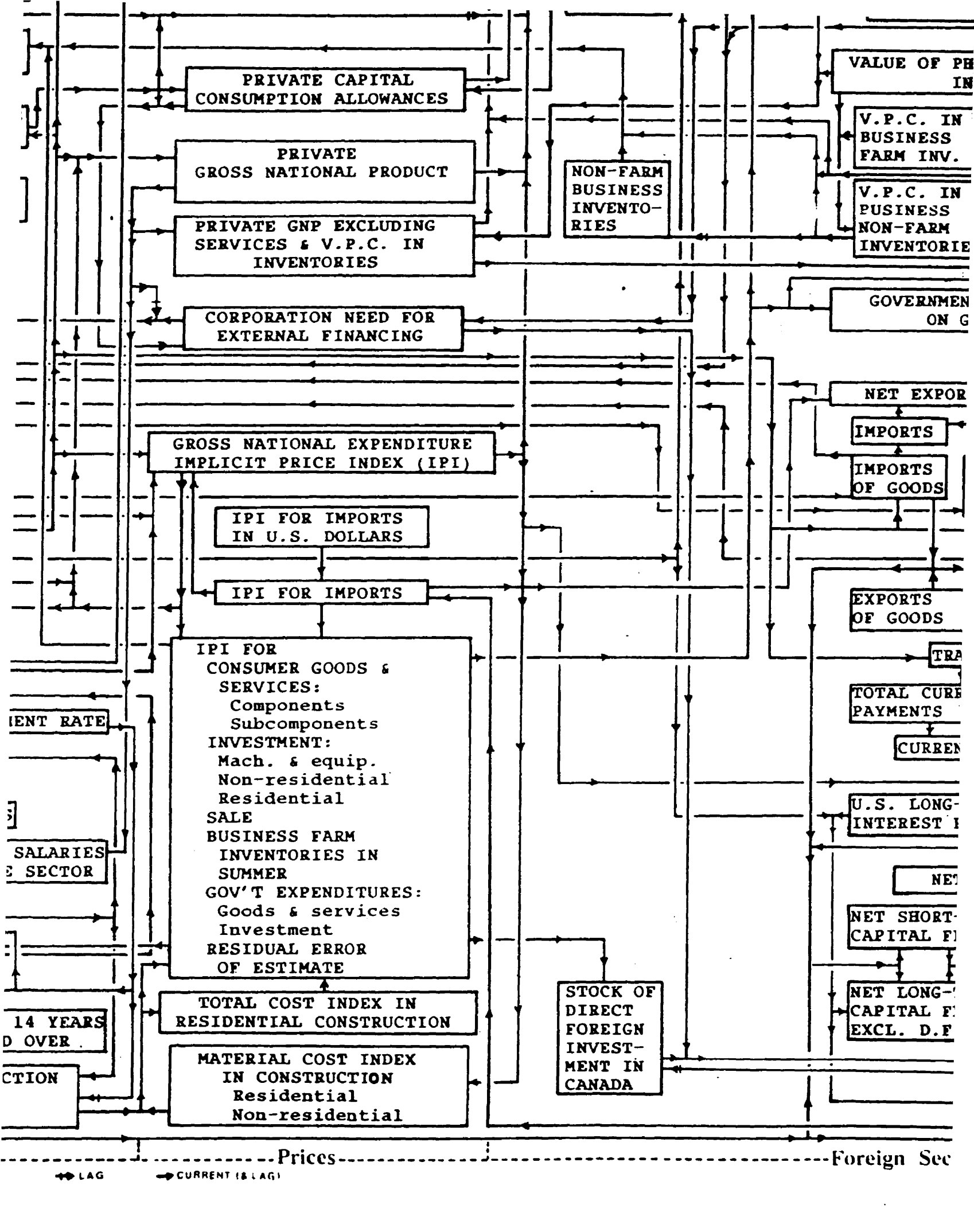
IAGRAM OF THE MODEL




---Stocks----------GNE Components----------
PERSONAL EXPENDITURES (P.E.) ON CONSUMER GOODS & SERVICES
P.E. ON CONSUMER NON-DURABLE & SEMI-DURABLE GOODS
P.E. ON CONSUMER SERVICES
P.E. ON CONSUMER DURABLE GOODS
SUB-COMPONENTS OF CONSUMER EXPENDITURES
HOUSING STARTS
INVESTMENT IN RESIDENTIAL CONSTRUCTION
INVESTMENT EXPENDITURES
BUSINESS INVESTMENT IN NON-RESIDENTIAL CONSTRUCTION
BUSINESS INVESTMENT IN MACHINERY & EQUIPMENT
GOVERNMENT INVESTMENT EXPENDITURES
VALUE OF PHYSICAL CHANGE (V.P.C.) IN INVENTORIES
V.P.C. IN BUSINESS FARM INV.
V.P.C. IN GOVERNMENT INVENTORIES
V.P.C. IN BUSINESS NON-FARM INVENTORIES
V.P.C. IN INVENTORIES IN CURRENT DOLLARS
GOVERNMENT CURRENT EXPENDITURES ON GOODS AND SERVICES
NET EXPORTS OF GOODS & SERVICES
STOCK OF CONSUMER DURABLE GOODS
STOCK OF RES. CONSTRU-CTION
STOCK OF NON-RES. CONSTRU-CTION
STOCK OF MACH. & EQUIP-MENT
NON-FARM BUSINESS INVENTO-RIES
GROSS NATIONAL EXPENDITURE IN CONSTANT AND CURRENT DOLLARS


PUBLIC DEBT CHARGES
INTEREST PAID ON CORPORATE BONDS
INTEREST PAID ON PERSONAL ACCOUNTS
INTEREST AND MICS. INVESTMENT COMPONENT OF PERSONAL INCOME
CORPORATION INCOME TAX
DIVIDENDS
DIVIDENDS PAID TO CANADIAN RESIDENTS
NET NEW ISSUES OF CORPORATE BONDS
BANK RATE
91 DAY TREASURY BILL RATE
GOVERNMENT OF CANADA 10-YEARS-AND-OVER BOND RATE
CORPORATE BOND RATE
PERSONAL DEPOSITS INTEREST RATE
REQUIRED CASH-RESERVE RATIO
CASH-RESERVE RATIO ACTUALLY HELD
PERSONAL DEPOSITS
DEMAND FOR M1
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DEMAND FOR M3
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UNEMPLOYMENT
UNEMPLOYMENT RATE
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DEMAND FOR M1B
TOTAL WAGES AND SALARIES
DEMAND FOR M2
WAGES AND SALARIES PAID BY GOVERNMENT
WAGES AND SALARIES IN PRIVATE SECTOR
DEMAND FOR M3
WAGE RATE
DEMAND FOR MTML
SUPPLY OF LABOUR
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(M3-M1)/M1
POPULATION AS OF JUNE
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LABOUR COST INDEX IN CONSTRUCTION
Residential
Non-residential
Labour
Prices
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PRIVATE CAPITAL CONSUMPTION ALLOWANCES
PRIVATE GROSS NATIONAL PRODUCT
PRIVATE GNP EXCLUDING SERVICES & V.P.C. IN INVENTORIES
CORPORATION NEED FOR EXTERNAL FINANCING
GROSS NATIONAL EXPENDITURE IMPLICIT PRICE INDEX (IPI)
IPI FOR IMPORTS IN U.S. DOLLARS
IPI FOR IMPORTS
IPI FOR
CONSUMER GOODS & SERVICES:
Components
Subcomponents
INVESTMENT:
Mach. & equip.
Non-residential
Residential
SALE
BUSINESS FARM INVENTORIES IN SUMMER
GOV'T EXPENDITURES:
Goods & services
Investment
RESIDUAL ERROR OF ESTIMATE
TOTAL COST INDEX IN RESIDENTIAL CONSTRUCTION
MATERIAL COST INDEX IN CONSTRUCTION
Residential
Non-residential
NON-FARM BUSINESS INVENTO-RIES
STOCK OF DIRECT FOREIGN INVEST-MENT IN CANADA
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CURRENT (& LAG)

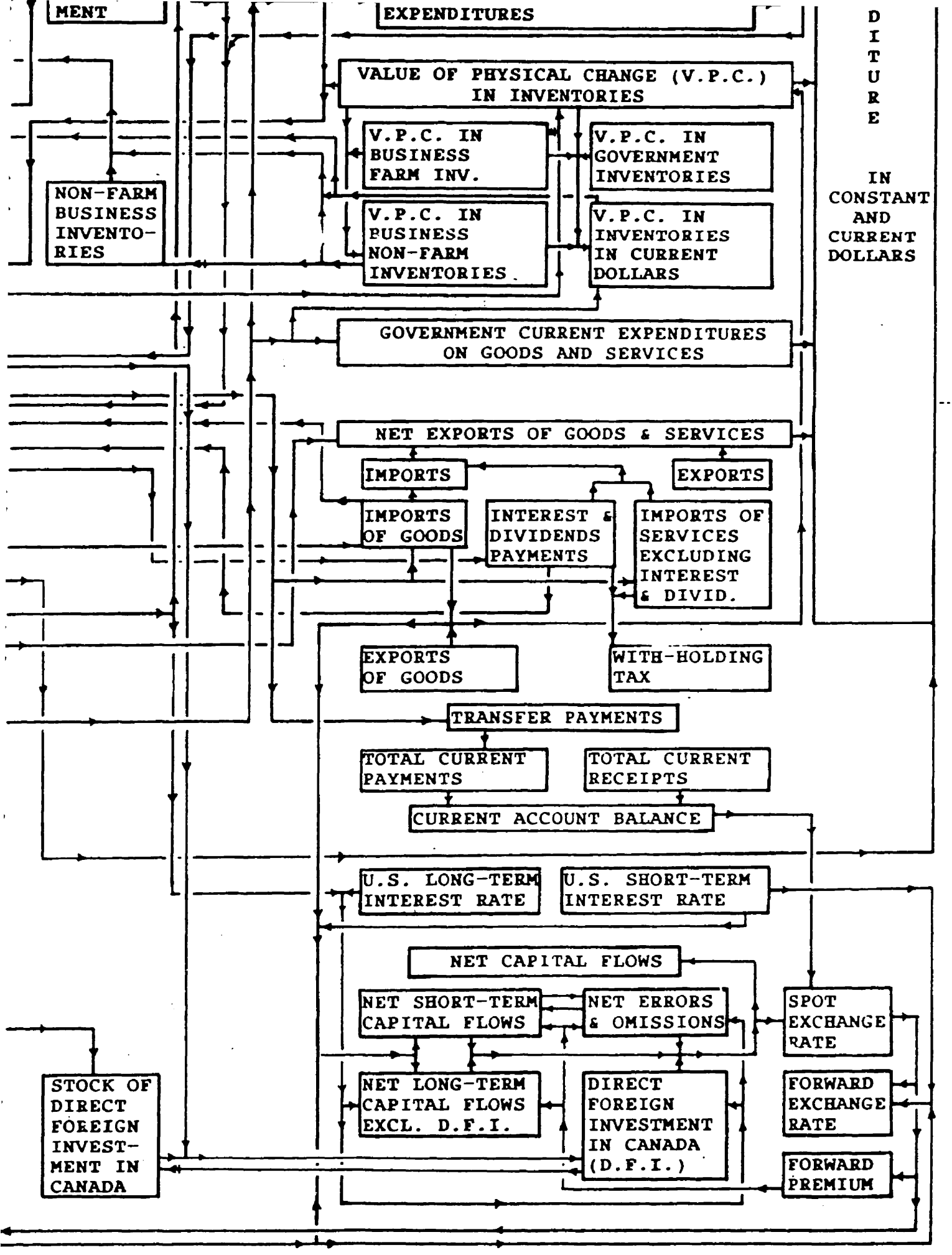
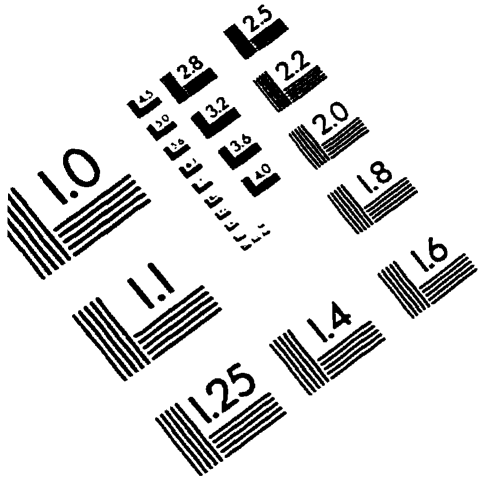
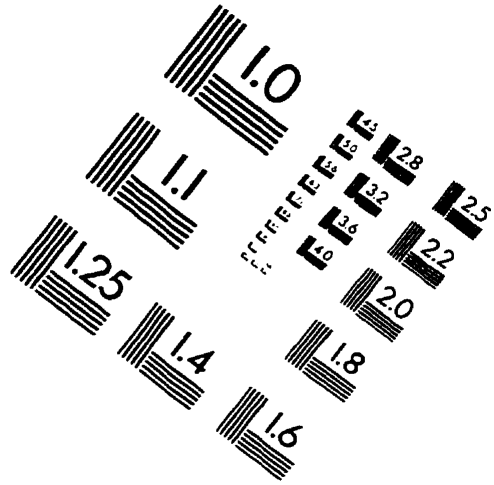
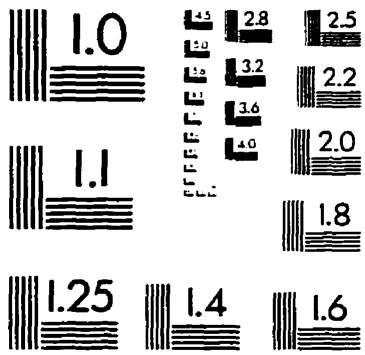
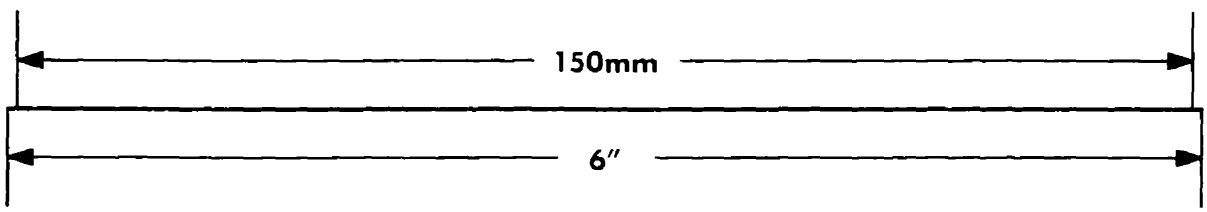

MENT
EXPENDITURES
VALUE OF PHYSICAL CHANGE (V.P.C.) IN INVENTORIES
V.P.C. IN BUSINESS FARM INV.
V.P.C. IN GOVERNMENT INVENTORIES
NON-FARM BUSINESS INVENTO-RIES
V.P.C. IN BUSINESS NON-FARM INVENTORIES
V.P.C. IN INVENTORIES IN CURRENT DOLLARS
D I T U R E
IN CONSTANT AND CURRENT DOLLARS
GOVERNMENT CURRENT EXPENDITURES ON GOODS AND SERVICES
NET EXPORTS OF GOODS & SERVICES
IMPORTS
EXPORTS
IMPORTS OF GOODS
INTEREST & DIVIDENDS PAYMENTS
IMPORTS OF SERVICES EXCLUDING INTEREST & DIVID.
EXPORTS OF GOODS
WITH-HOLDING TAX
TRANSFER PAYMENTS
TOTAL CURRENT PAYMENTS
TOTAL CURRENT RECEIPTS
CURRENT ACCOUNT BALANCE
U.S. LONG-TERM INTEREST RATE
U.S. SHORT-TERM INTEREST RATE
NET CAPITAL FLOWS
NET SHORT-TERM CAPITAL FLOWS
NET ERRORS & OMISSIONS
SPOT EXCHANGE RATE
STOCK OF DIRECT FOREIGN INVEST-MENT IN CANADA
NET LONG-TERM CAPITAL FLOWS EXCL. D.F.I.
DIRECT FOREIGN INVESTMENT IN CANADA (D.F.I.)
FORWARD EXCHANGE RATE
FORWARD PREMIUM
Foreign Sector

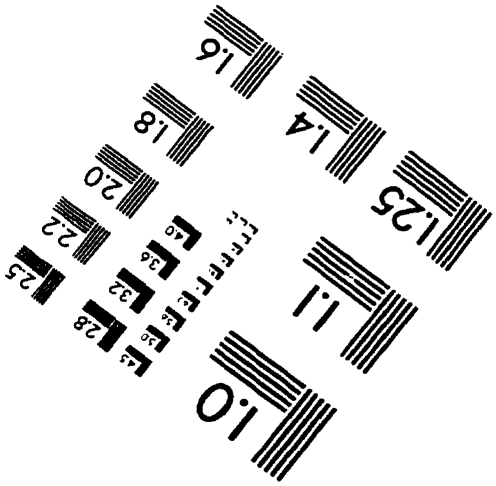
IMAGE EVALUATION
TEST TARGET (QA-3)

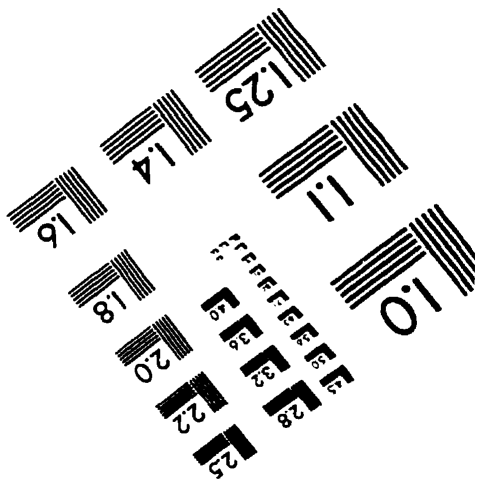












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