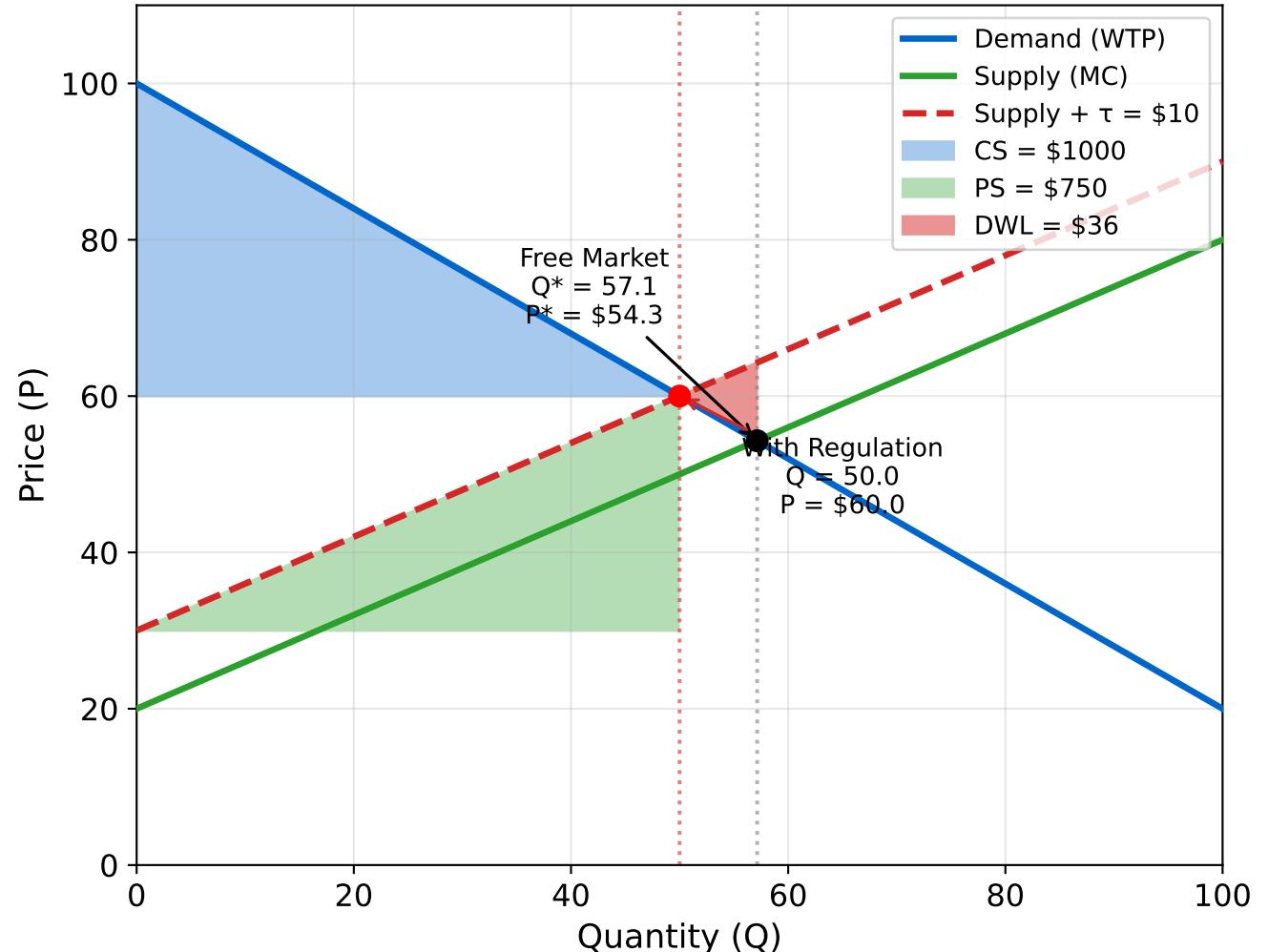


Deadweight Loss from Financial Regulation (Harberger, 1954)

Light Touch Regulation ($\tau = \$10$)
Total Surplus = 1750(Loss = 536)



Heavy Regulation ($\tau = \$25$)
Total Surplus = 1080(Loss = 1205)

