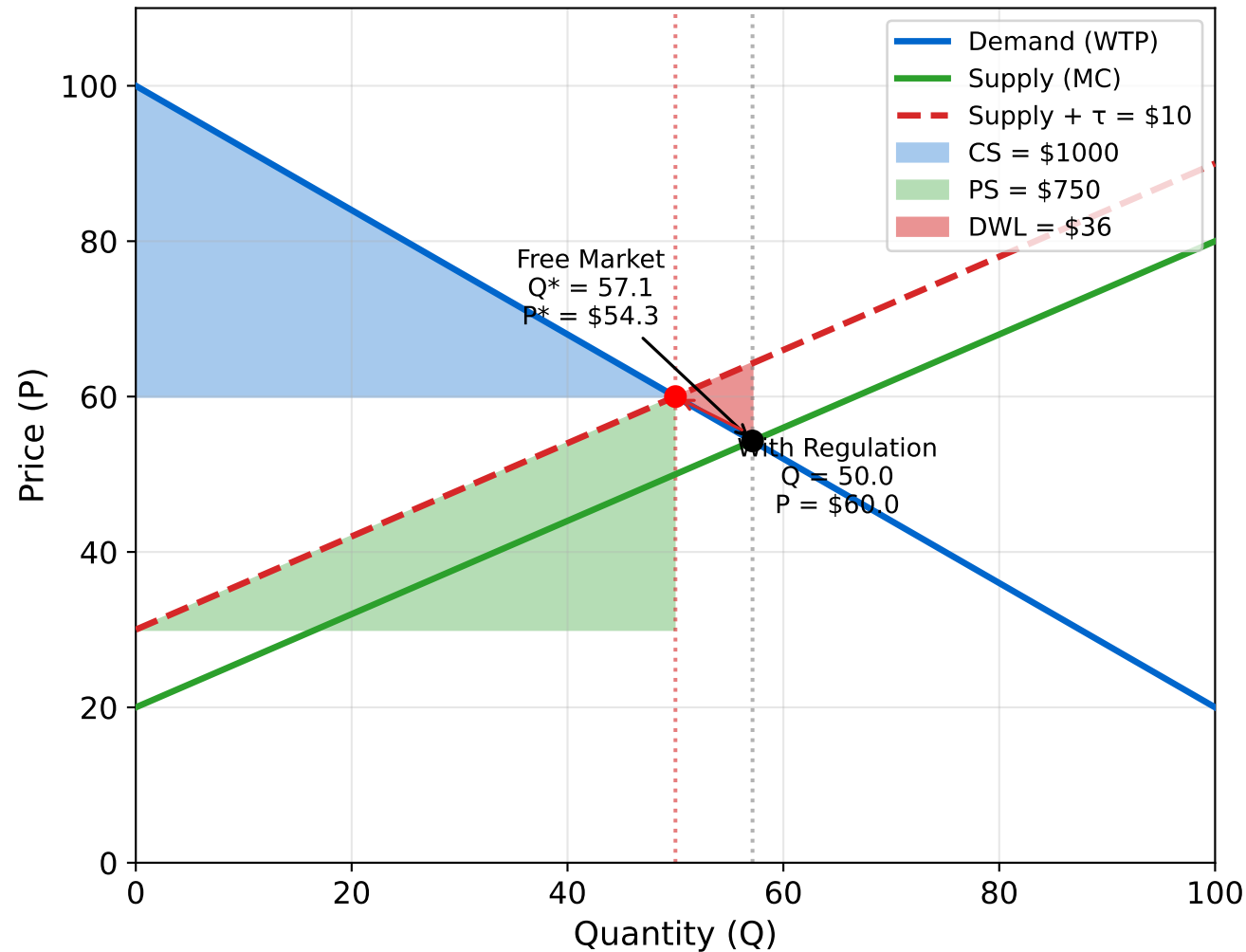


# Deadweight Loss from Financial Regulation (Harberger, 1954)

Light Touch Regulation ( $\tau = \$10$ )

Total Surplus = 1750 (Loss = 536)



Heavy Regulation ( $\tau = \$25$ )

Total Surplus = 1080 (Loss = 1205)

