

4

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Let's work an example where the government **increase spending** and at the same time it **increase taxes** by the same amount...

A red speech bubble with a black outline and a drop shadow, pointing towards the top right. Inside the bubble, the text "The Government finances the extra spending with higher taxes" is written in a black sans-serif font. The words "finances", "extra", and "higher taxes" are highlighted in red.

The
Government
finances the extra
spending with
higher taxes

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