

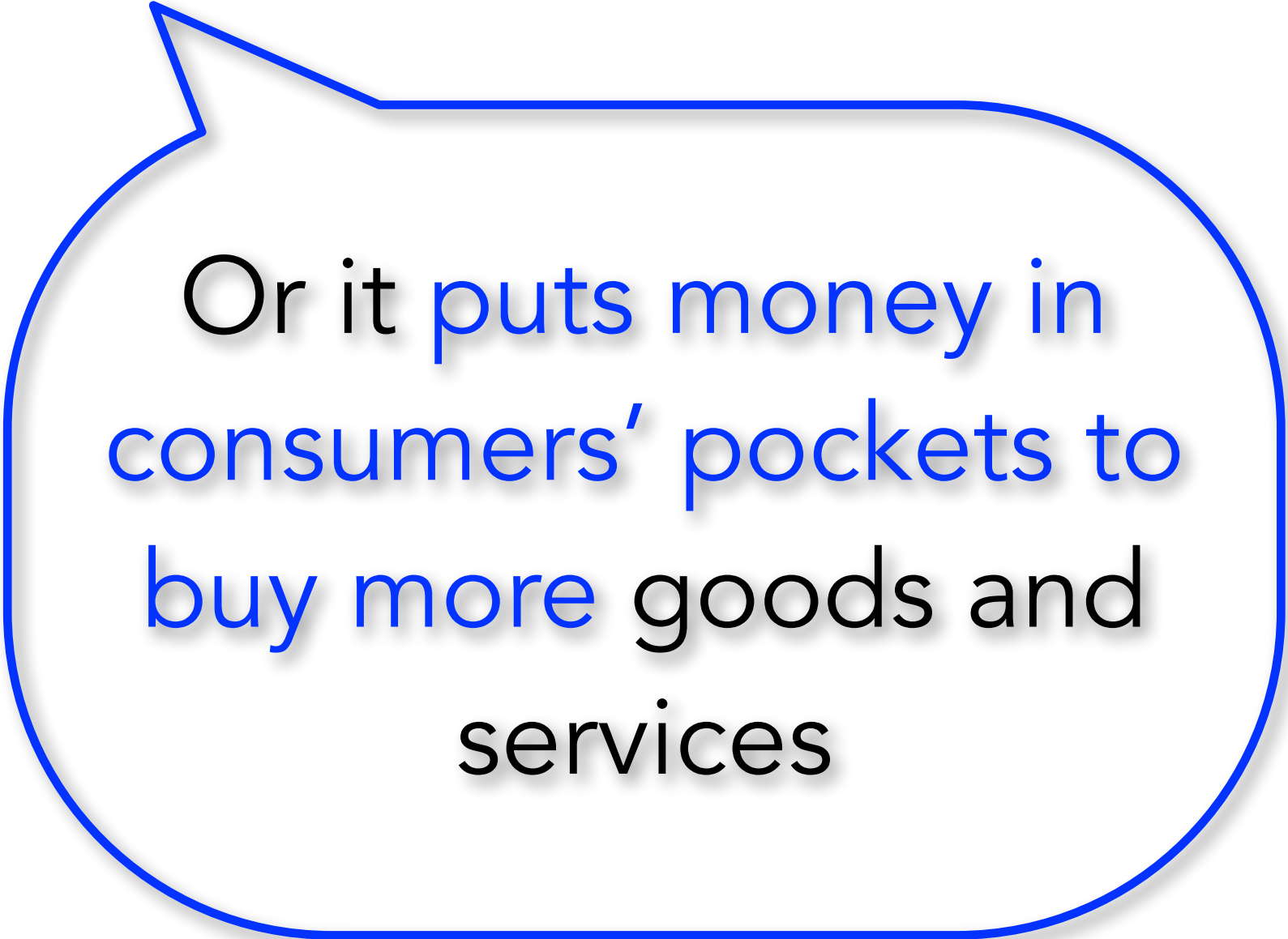
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If the Government wants to close a recessionary gap, the government can **Increase Spending** or **Decrease Taxes**



Either the Government
buys more goods and
services



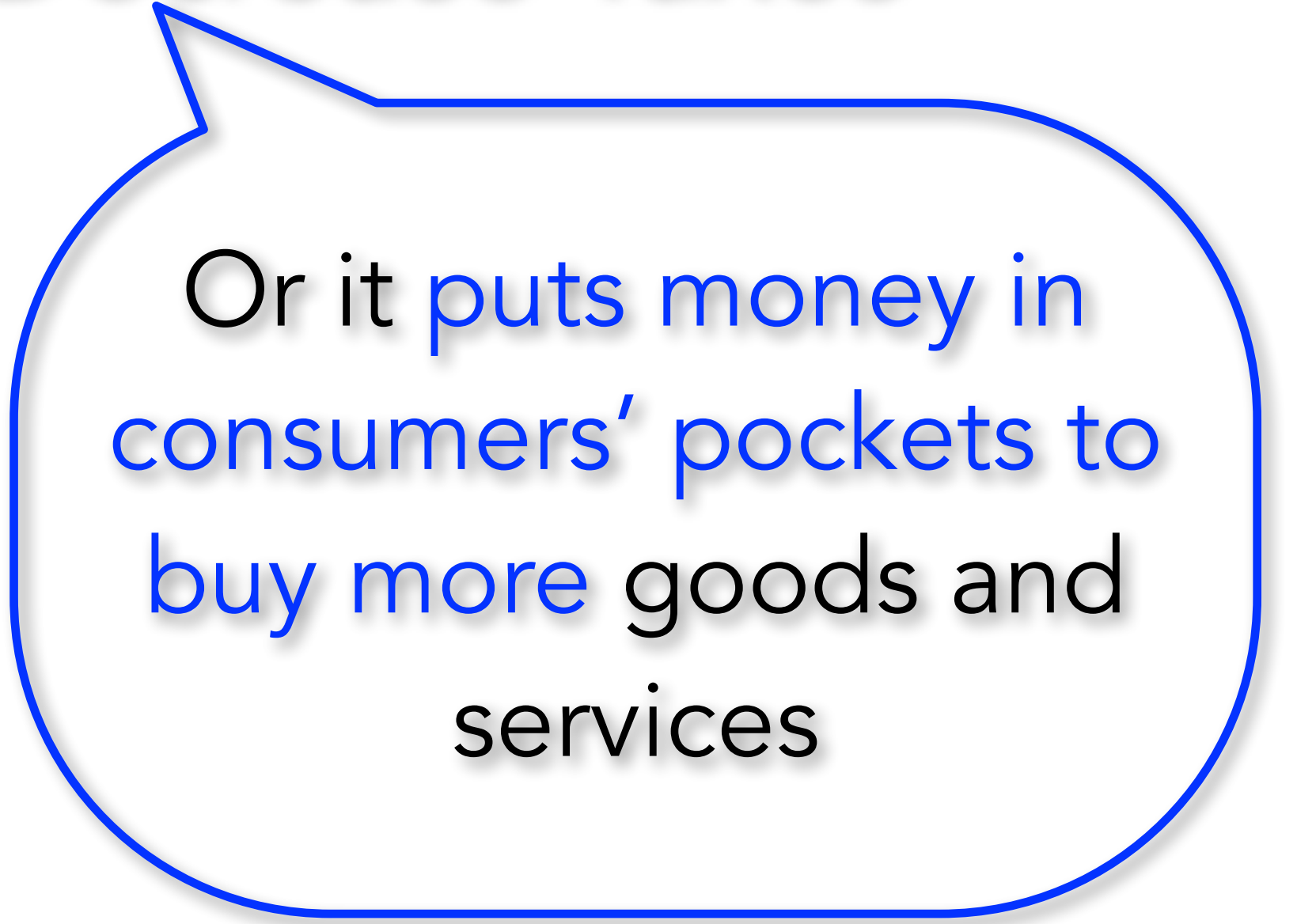
Or it puts money in
consumers' pockets to
buy more goods and
services

Are these two alternatives **equally** effective?

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