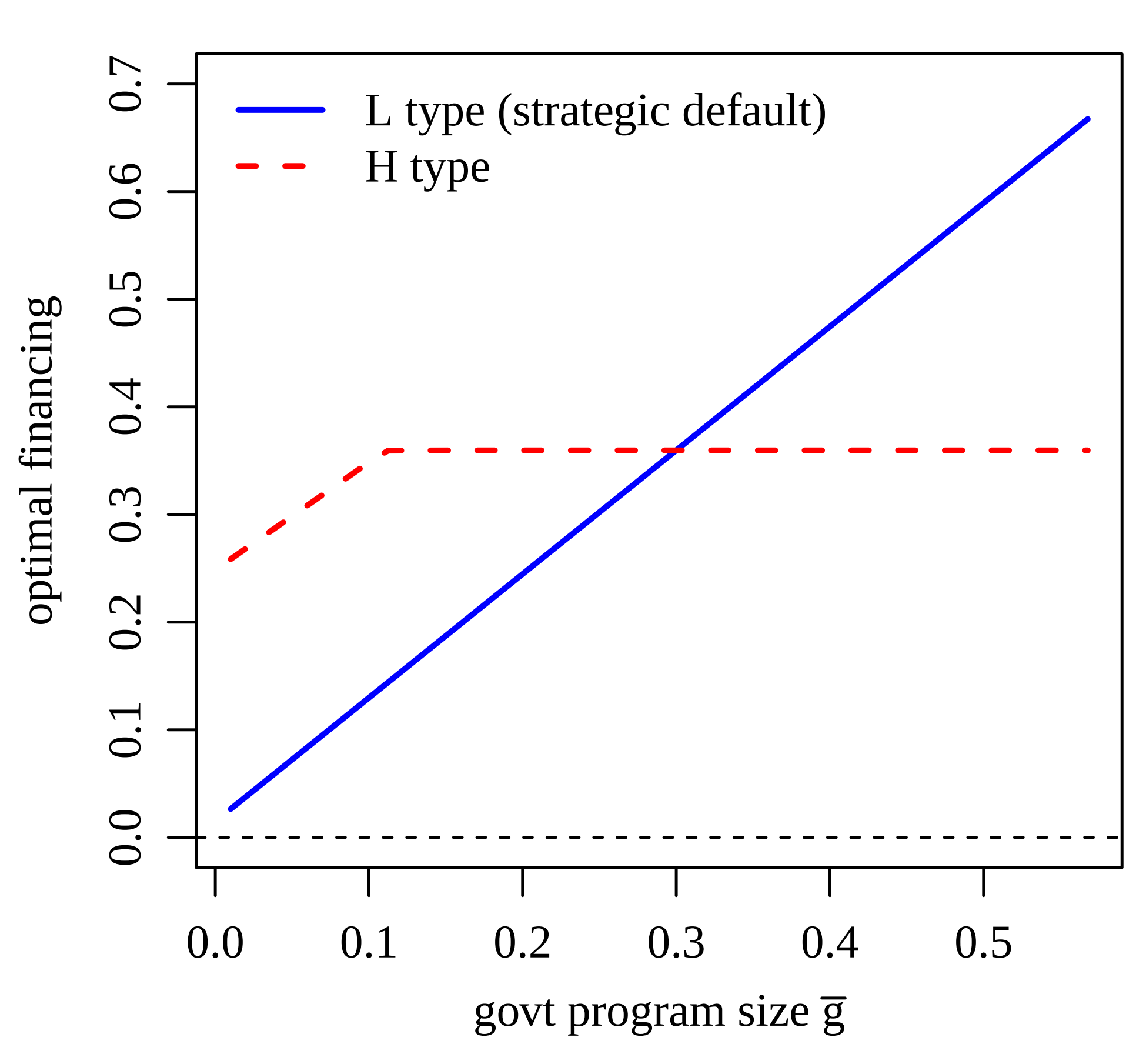
L type (strategic default)
H type
optimal financing
0.0
0.1
0.2
0.3
0.4
0.5
0.6
0.7
0.0
0.1
0.2
0.3
0.4
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govt program size $\bar{g}$