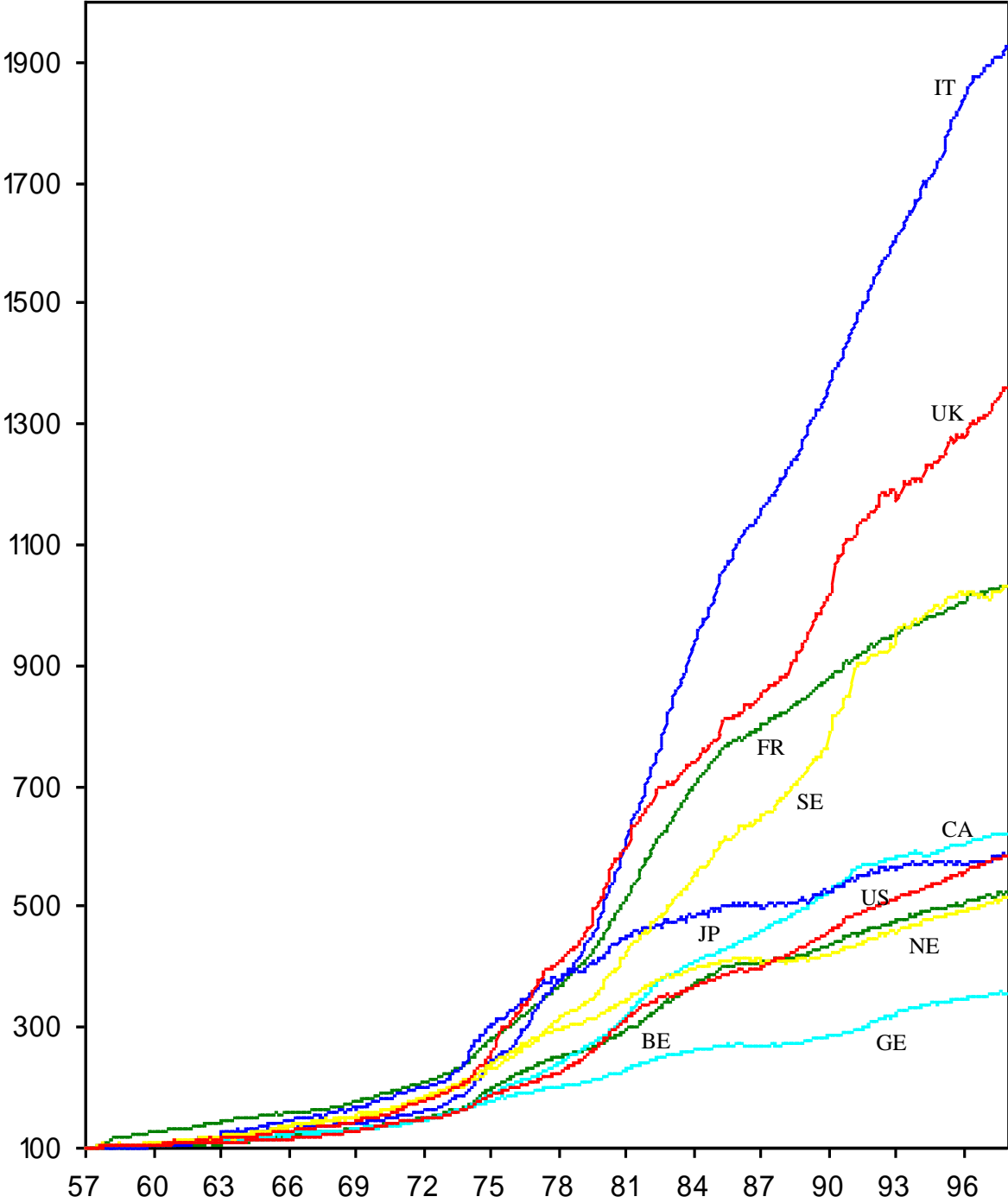


# Figure 1: The CPI for the G-10 Countries

Monthly Data

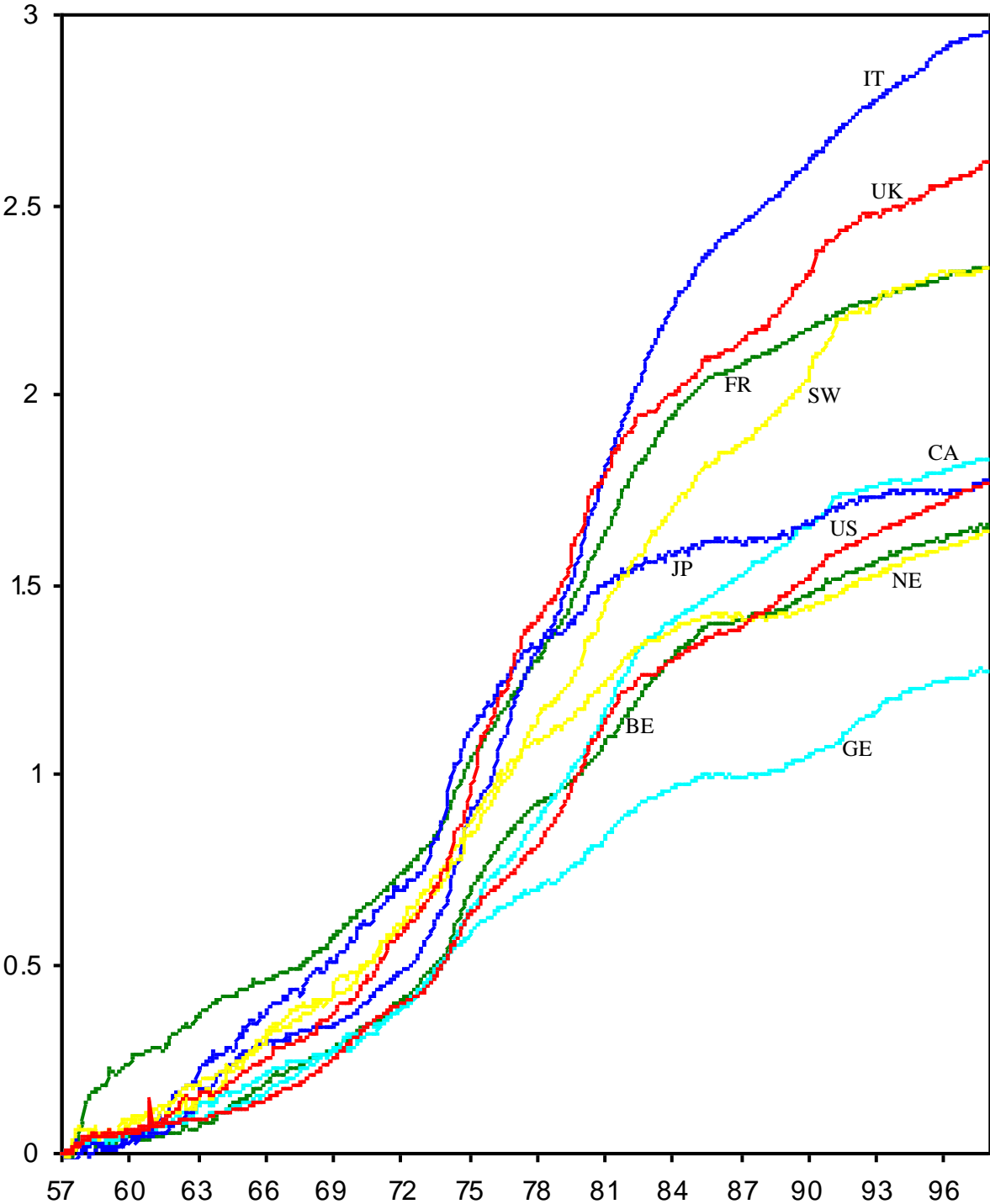
Jan. 1957 = 100



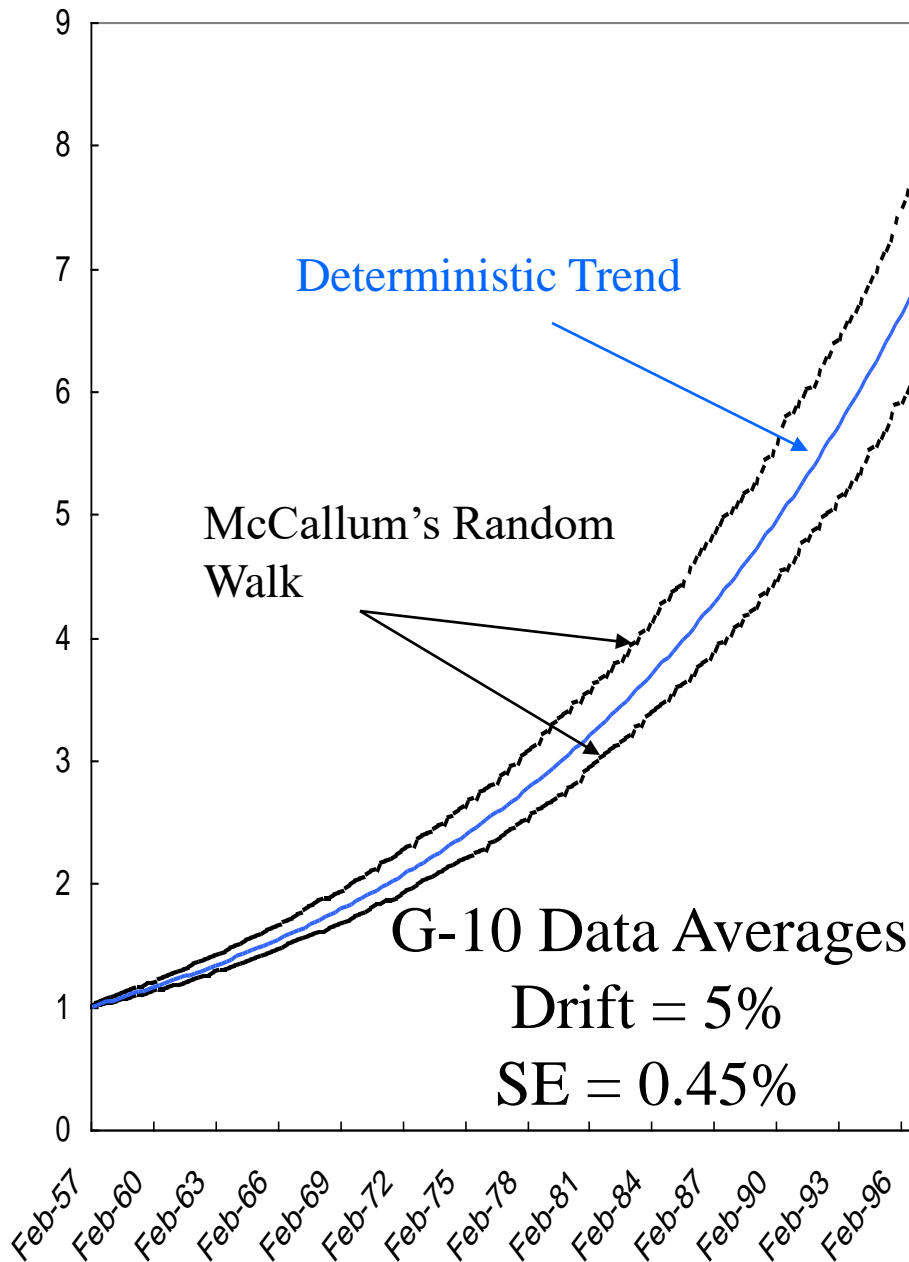
# The CPI for the G-10 Countries

Monthly Data, Natural Logs

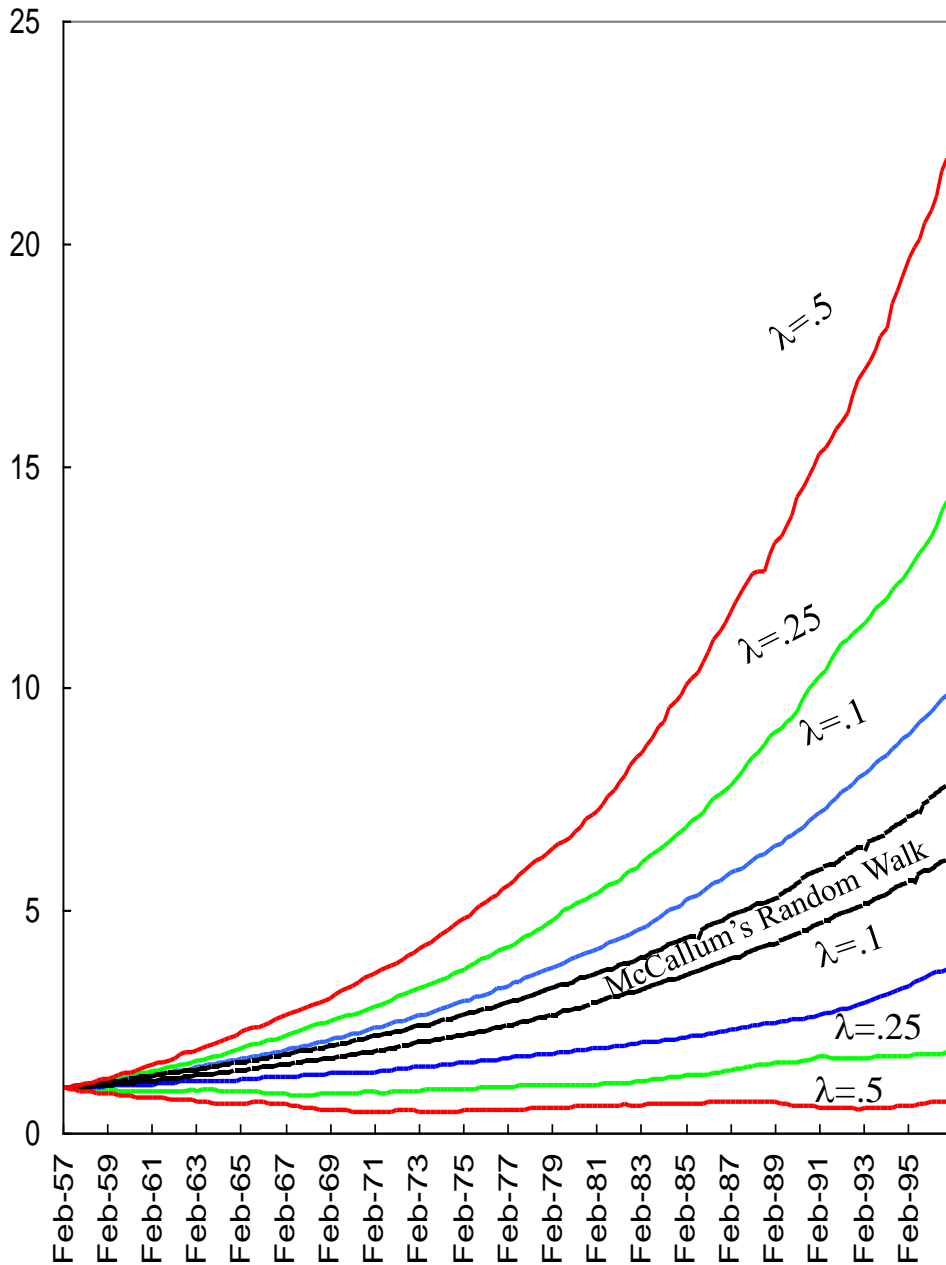
Jan. 1957 = 0



**Figure 3**  
**Price Level Uncertainty with Inflation Targeting**  
(95% confidence intervals with McCallum's Assumption)



**Figure 4**  
**Price Level Uncertainty with Inflation Targeting**  
**and concern about the stage of the business cycle**  
(90% confidence intervals under alternative assumptions about policy)



$\lambda =$  weight on the output gap