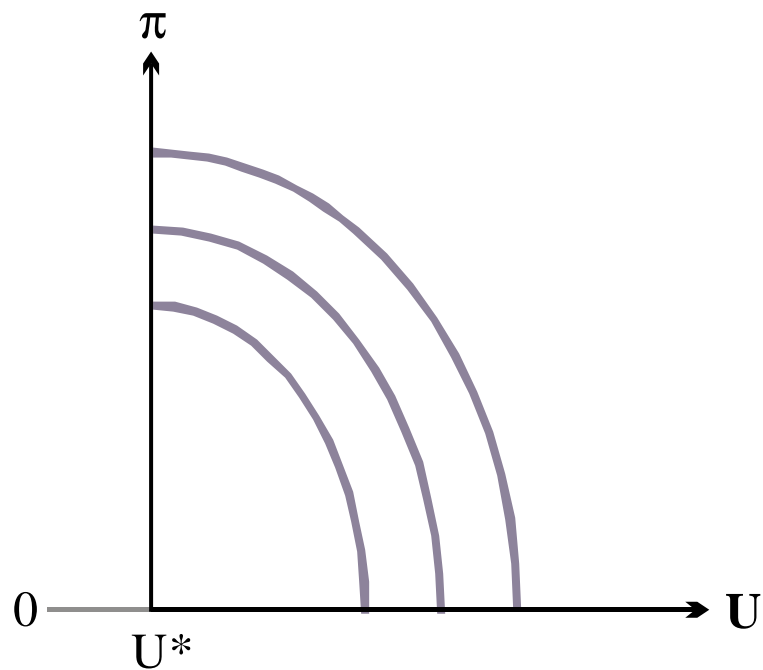
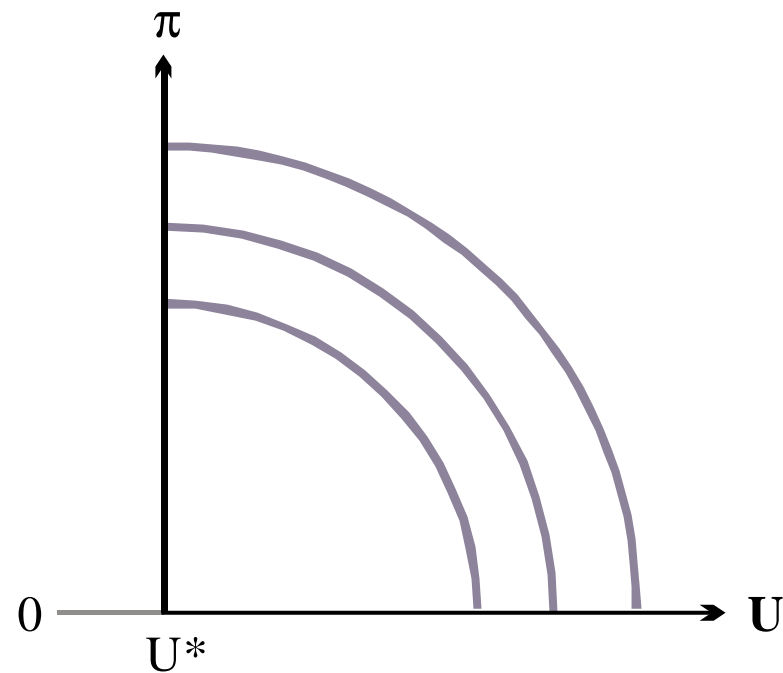


**Figure 6.1: The Social Loss Function of the Barro/Gordon Model**



(a) high preference for  
employment target  
(high  $b$ )



(b) high preference for  
price stability  
(low  $b$ )