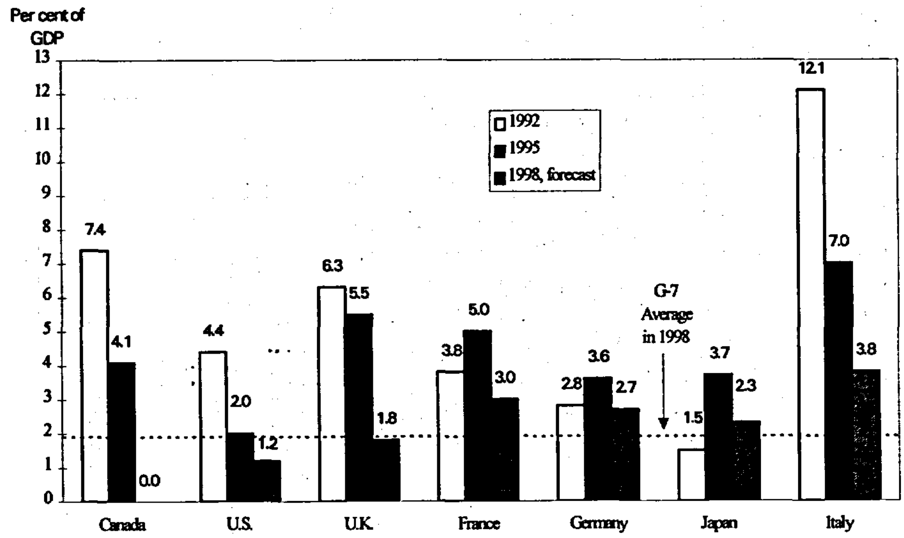
CHART 9

TOTAL GOVERNMENT DEFICIT 1992, 1995, 1998

While general government deficits have been improving in most G-7 countries in recent years, Canada's performance stands out. Unique among the G-7, the Canadian total government deficit is expected to have been eliminated in 1998.

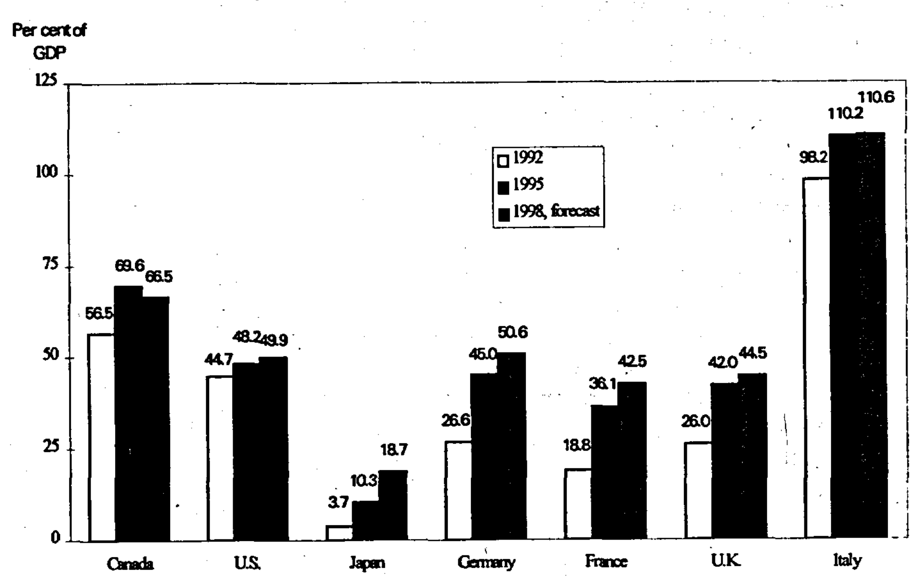


Sources: Department of Finance and *OECD Economic Outlook*, June 1997.

CHART 10

TOTAL GOVERNMENT NET DEBT-TO-GDP RATIO 1992, 1995, 1998

Owing to significant deficit reduction, Canada's net debt-to-GDP ratio stabilized and will begin to decline in 1997. Between 1997 and 1998, the Canadian net debt ratio will decline by 2 percentage points, the largest decline among the G-7. Nonetheless, Canada's net debt-to-GDP ratio remains higher than that of most G-7 economies.



Source: Department of Finance and *OECD Economic Outlook*, June 1997.