

## FOOTNOTES

[1] In addition to the literature pertaining to the U.S. federal level of government there has been numerous studies at the state and local levels of government. For a more detailed discussion of this topic see the studies by Manage and Marlow (1987, 1988), Chowdhury (1988), Ram (1988), Miller and Russek (1989), Joulfaian and Mookerjee (1990), Payne (1996).

[2] A related line of research dealing with the sustainability of budget deficits will not be examined in this paper. For a more detailed discussion of this topic see the studies by Hamilton and Flavin (1986), Kremers (1988, 1989), Wilcox (1989), Hakkio and Rush (1991), Smith and Zin (1991), Haug (1991, 1995).

[3] Two lags were used in the estimation. The model was estimated with a trend in the cointegrating space given the possibility of deterministic trends in the individual time series. The trend model allows for linear trends not only in the variables but also in the cointegration space.