

CHART 9

TOTAL GOVERNMENT BALANCE 1998, 1999, 2000

On a national accounts basis, three member countries of the G-7 posted a total government surplus in 1998: Canada, the United States and the United Kingdom. The most recent Organisation for Economic Co-operation and Development projections show surpluses near two per cent of GDP for Canada and the United States and deficits for the other G-7 countries.

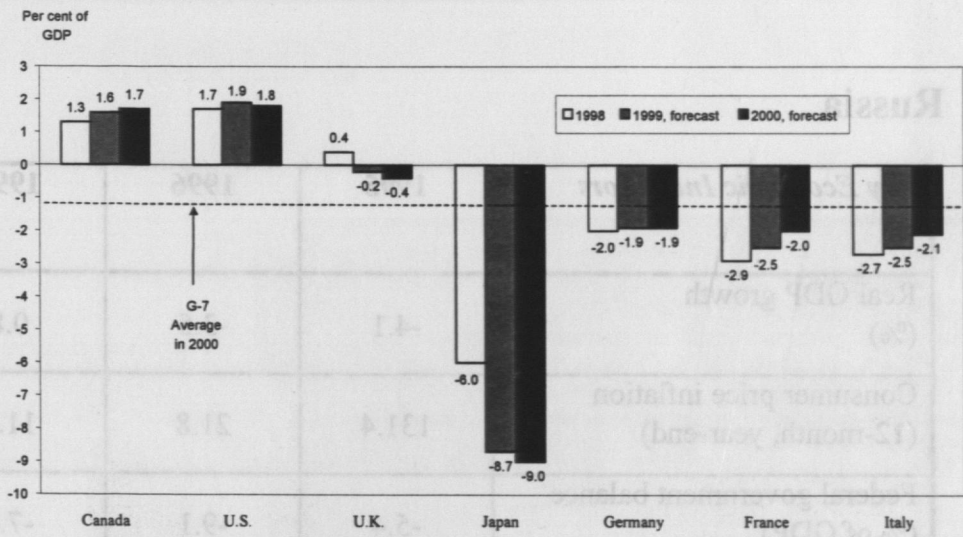


CHART 10

TOTAL GOVERNMENT NET DEBT-TO-GDP RATIO 1998, 1999, 2000

Owing to significant deficit reduction, Canada's net debt-to-GDP ratio began to decline in 1997. According to OECD projections from the preliminary edition of *Economic Outlook No. 65*, the Canadian net debt-to-GDP ratio will decline by over eight percentage points between 1998 and 2000. This represents the largest decline among G-7 countries. Nonetheless, Canada's net debt-to-GDP ratio remains higher than that of most G-7 economies.

