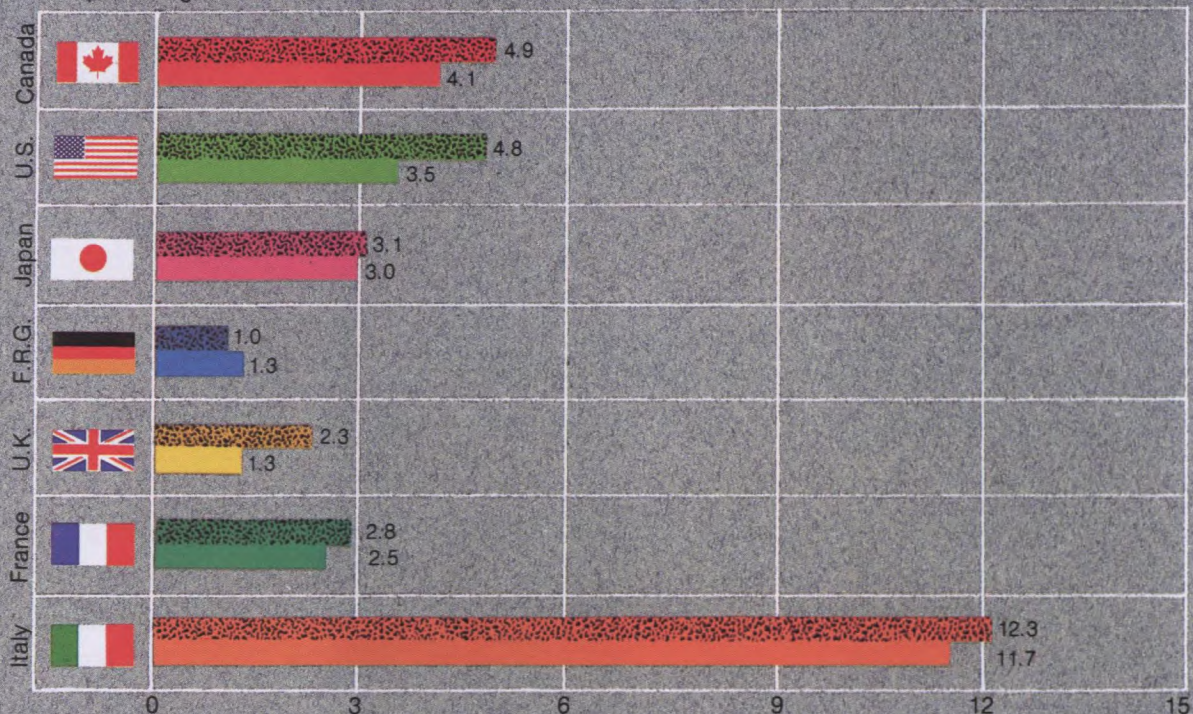


Fiscal deficits declined as a percentage of GNP/GDP in all Summit countries but the F.R.G. in 1987. Both the consistency across Summit countries and the magnitude of the declines are notable—with Canada, the U.S., and the U.K. achieving deficit reductions of approximately one per cent of GNP/GDP. The F.R.G.'s fiscal deficit remains the lowest among the G-7 despite a stimulative increase in 1987.

Central Government Fiscal Deficit

as a percentage of GNP/GDP



Main sources: OECD Data Base and OECD March 18, 1988 forecasts.

Canadian data: Statistics Canada

US data: Data Resources Inc. (DRI)

Note: The 1987 GDP growth for the UK is a DRI estimate.

Nominal trade balances: IMF international financial statistics