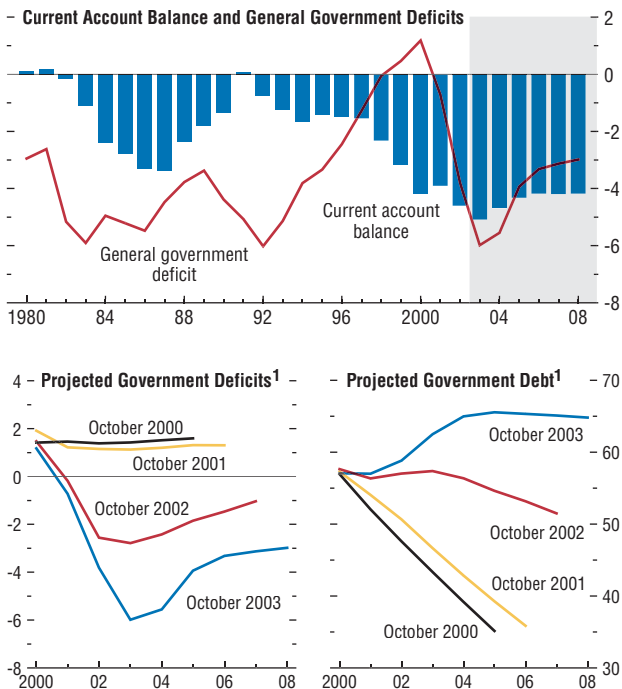


Figure 1.10. United States: Return of the Twin Deficits
(Percent of GDP)

The sharp deterioration in the U.S. fiscal position has led to a reemergence of the twin deficits of the 1980s. With fiscal deficits expected to persist, government debt will now not be reduced in advance of the retirement of the baby boomers.



¹Projections from previous *World Economic Outlooks*.