

# An Analysis of Federal Debt in Canada by Prime Ministers Since Confederation

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## Summary

■ Over Canada's 150-year history, prime ministers have, in various ways, helped shape the country, often leaving a legacy that affects Canadians to this day. A key aspect to any prime minister's legacy is whether they left the federal government more or less indebted.

■ This bulletin measures the total percent change in (inflation-adjusted) debt per person over the course of the tenures of various prime ministers since Confederation—from 1870 up to the end of current Prime Minister Justin Trudeau's term in 2019. Adjusting for inflation and for population growth allows for a comparison of debt legacies by prime ministers over an extended period of time.

■ Historical context is important for understanding debt accumulation under various prime ministers. For example, total growth in debt per person under Sir Robert Borden (188 percent) and William Lyon Mackenzie King

(145 percent) took place during global conflicts (World War I and World War II) and multiple economic downturns.

■ Economic downturns, which are out of the direct control of a prime minister, contribute to the accumulation of government debt. The federal government collects less revenue and spends more during an economic downturn as Canadians make greater use of services such as Employment Insurance.

■ However, of the prime ministers who did not face a global conflict or economic downturn during their tenure, the analysis finds that by the end of his term in 2019, Justin Trudeau is expected to be the largest debt accumulator (5 percent). The only other two prime ministers to increase federal debt without fighting a world war or experiencing an economic downturn are Sir Mackenzie Bowell and Sir John Abbott who both served in the late 19th century.

# Prime Ministers and Federal Debt

## Introduction

This year marks the 150<sup>th</sup> anniversary of Confederation, when Canada came together as a new country and federation. Since then, Canadian prime ministers and their governments have helped shape the country in various ways, many leaving legacies that affect Canadians to this day. A key part of any prime minister's legacy is whether they have left the federal government more or less indebted than when they took office. The trajectory of debt matters: when the debt burden grows, more public resources are needed to service the debt's annual interest payments, which in turn diverts tax dollars away from public programs. Because the debt must ultimately be repaid, a higher debt also raises the possibility of higher taxes in the future, thereby burdening future generations with the cost of current expenditures.

This bulletin examines the history of federal debt in Canada and measures how that debt has changed over the tenures of various prime ministers since Confederation.<sup>1</sup> The bulletin is divided into two main sections. The first discusses how the change in federal debt is measured. The second measures the change in federal debt under various prime ministers.

## Measuring the change in federal debt

To assess the debt legacy of Canadian prime ministers, we have calculated the change in debt from the time a prime minister took office to when he or she left. A number of steps are involved in measuring the debt changes over a 150-year period. The first is to allocate the specific years of tenure for each prime minister. Canada has had 23 different prime ministers in-

cluding current Prime Minister Justin Trudeau. Table 1 lists them and the years in which they held office.

There are several years in which prime ministerial tenures overlap—that is, years in which power transferred from one prime minister to another. In these transitional years, it is not always clear which prime minister is responsible for the debt accumulated. We have chosen to allocate the years of prime ministerial responsibility on the same basis as did Clemens and Palacios (2017), who examined spending levels by prime minister since Confederation. Clemens and Palacios (2017) used two criteria that we replicated in this bulletin. First, transitional years were allocated to the prime minister who was in office for the majority of the year. Second, where a year was evenly split between prime ministers, the year was allocated to the prime minister who delivered the budget and established the fiscal foundation for that year.

Table 2 lists the prime ministers and the tenures by which they are evaluated.<sup>2</sup> In some cases, a prime minister's time in office is non-continuous. For example, Sir John A. Macdonald had two separate tenures: he served as Canada's first prime minister from 1867 to 1872 but was defeated by Alexander Mackenzie and then reassumed office in 1878. William Lyon Mackenzie King also served twice (1922–1930 and 1936–1948) as did Pierre Trudeau (1968–1978 and 1980–1984). The time in office for these prime

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<sup>1</sup> This bulletin is based on and partly draws upon the work of Di Matteo (2017) and Clemens and Palacios (2017).

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<sup>2</sup> Prime ministerial tenures range from a single year to 15 years, which means that some prime ministers were in office longer than others to either accumulate or reduce federal debt. However, longer tenures do not necessarily translate into larger total increases or decreases in debt. In fact, the correlation between the length of tenure and the total increase in debt per person over that tenure (the measure used in this bulletin) is relatively weak ( $p = 0.27$ ).

# Prime Ministers and Federal Debt

**Table 1: Canada's 23 Prime Ministers, Their Political Party, and Time in Office**

Prime Minister	Party	Time in Office
Sir John A. Macdonald	Liberal Conservative Party	1867-1873, 1878-1891
Alexander Mackenzie	Liberal Party	1873-1878
Sir John Abbott	Liberal Conservative Party	1891-1892
Sir John Thompson	Liberal Conservative Party	1892-1894
Sir Mackenzie Bowell	Conservative Party	1894-1896
Sir Charles Tupper	Conservative Party	1896
Sir Wilfrid Laurier	Liberal Party	1896-1911
Sir Robert Borden	Conservative Party, Unionist Party	1911-1917, 1917-1920
Arthur Meighen	National Liberal and Conservative Party, Conservative Party	1920-1921, 1926
William Lyon Mackenzie King	Liberal Party	1921-1926, 1926-1930, 1935-1948
R.B. Bennett	Conservative Party	1930-1935
Louis St. Laurent	Liberal Party	1948-1957
John Diefenbaker	Progressive Conservative Party	1957-1963
Lester B. Pearson	Liberal Party	1963-1968
Pierre E. Trudeau	Liberal Party	1968-1979, 1980-1984
Joe Clark	Progressive Conservative Party	1979
John Turner	Liberal Party	1984
Brian Mulroney	Progressive Conservative Party	1984-1993
Kim Campbell	Progressive Conservative Party	1993
Jean Chretien	Liberal Party	1994-2003
Paul Martin	Liberal Party	2003-2006
Stephen Harper	Conservative Party	2006-2015
Justin Trudeau	Liberal Party	2015-Present

**Notes:**

- Sir Robert Borden led the Conservative Party from October 10, 1911 to October 11, 1917, and then the Unionist Party from October 12, 1917 to July 10, 1920. The Unionist Party was a centre-right party primarily consisting of members of the Conservative Party along with some former members of the Liberal Party.
- The National Liberal and Conservative Party is the name adopted by the Conservative Party in 1920 after the end of the Unionist Party.

Source: Parliament of Canada, 2017; Clemens and Palacios (2017).

# Prime Ministers and Federal Debt

Table 2: Prime Ministers Assessed and Their Allotted Tenures

Prime Minister	Allotted Tenure
Sir John A. Macdonald	Tenure 1: 1867-1872 Tenure 2: 1878-1890
Alexander Mackenzie	1873-1877
Sir John Abbott	1891
Sir John Thompson	1892-1894
Sir Mackenzie Bowell	1895
Sir Wilfrid Laurier	1896-1911
Sir Robert Borden	1912-1919
Arthur Meighen	1920-1921
William Lyon Mackenzie King	Tenure 1: 1922-1930 Tenure 2: 1936-1948
R.B. Bennett	1931-1935
Louis St. Laurent	1949-1956
John Diefenbaker	1957-1963
Lester B. Pearson	1963-1967
Pierre E. Trudeau	Tenure 1: 1968-1978 Tenure 2: 1980-1984
Joe Clark	1979
Brian Mulroney	1985-1993
Jean Chretien	1994-2003
Paul Martin	2004-2005
Stephen Harper	2006-2015
Justin Trudeau	2015-2019

Notes:

- The fiscal year-end for the federal government was changed from June 30th to March 31st in 1907.
- Does not include budgets for 1867 - 1869 due to a lack of inflation data for those years.
- The 1984 budget was allocated to the tenure of Pierre Trudeau even though John Turner served as PM during the year before losing the general election to Brian Mulroney and the Progressive Conservative Party.
- The 1993 budget was allocated to the tenure of Brian Mulroney even though Kim Campbell served as PM during the year before losing the general election to Jean Chretien and the Liberal Party.
- For further details on the specific allocation of budgets, see Clemens and Palacios (2017)

Source: Clemens and Palacios (2017).



# Prime Ministers and Federal Debt

ministers is split into two tenures so that the change in federal debt that occurred under a different prime minister is not allocated to the prime minister not then holding the office (in other words, Mackenzie's debt is not allocated to Macdonald).

Note that three prime ministers were excluded from table 2 and from the analysis because their tenure was too short to have a budget year allocated to them. Kim Campbell and John Turner both held office for approximately three months and Sir Charles Tupper held office for two months. This leaves 20 prime ministers included in the analysis. However, there are 23 tenures since three prime ministers served two non-continuous tenures.

As was done in Clemens and Palacios (2017), we made an adjustment for the transition from Stephen Harper to Justin Trudeau in 2015. Justin Trudeau came into office approximately half way through the fiscal year and immediately increased government spending. These increases contributed to a budget deficit (of \$1.0 billion), whereas Harper's 2015 budget planned for a surplus (of \$1.4 billion). Indeed, more debt was accumulated by Trudeau than was planned for under Harper (Canada, Department of Finance, 2015 and 2017a).<sup>3</sup> Due to the differences between Stephen Harper's budget plan and the actual spending for 2015/16 under Justin Trudeau, the end point for debt accumulation under Harper is the debt projected in the 2015 budget (\$1.1 trillion in 2017 dollars). The 2015 budget number is also the starting point for the change in debt under Justin Trudeau.

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<sup>3</sup> Notably, program spending was ultimately 2.9 percent higher in 2015/16 than what was planned in the 2015 budget.

## *Measuring federal debt*

The next step in measuring the change in federal debt over prime ministerial tenures is to collect comparable data on federal debt. Throughout this bulletin, debt is defined as gross debt, which is the federal government's total amount of financial liabilities including interest-bearing debt, future employee benefits (pensions), and accounts payable. Gross debt directly measures the extent to which the prime minister increased or decreased the country's financial liabilities. Net debt, an alternative measure of debt, measures liabilities minus financial assets and thus does not measure liabilities alone. Financial assets are often included in the measure of debt because, in theory, financial assets can be used to pay down liabilities. However, this bulletin focuses on gross debt, to the exclusion of financial and other assets, for two reasons. First, in practice, not all government financial assets can be easily sold to pay for government liabilities—for example, government employee pension assets are included in financial assets. Second, gross debt determines the interest that governments pay on liabilities and economic research has shown that increasing levels of gross debt can adversely affect the economy through, for example, the potential for higher future taxes (see Reinhart and Rogoff, 2010; Chudik et al., 2015; and Lammam et al., 2017 for a review of this research).

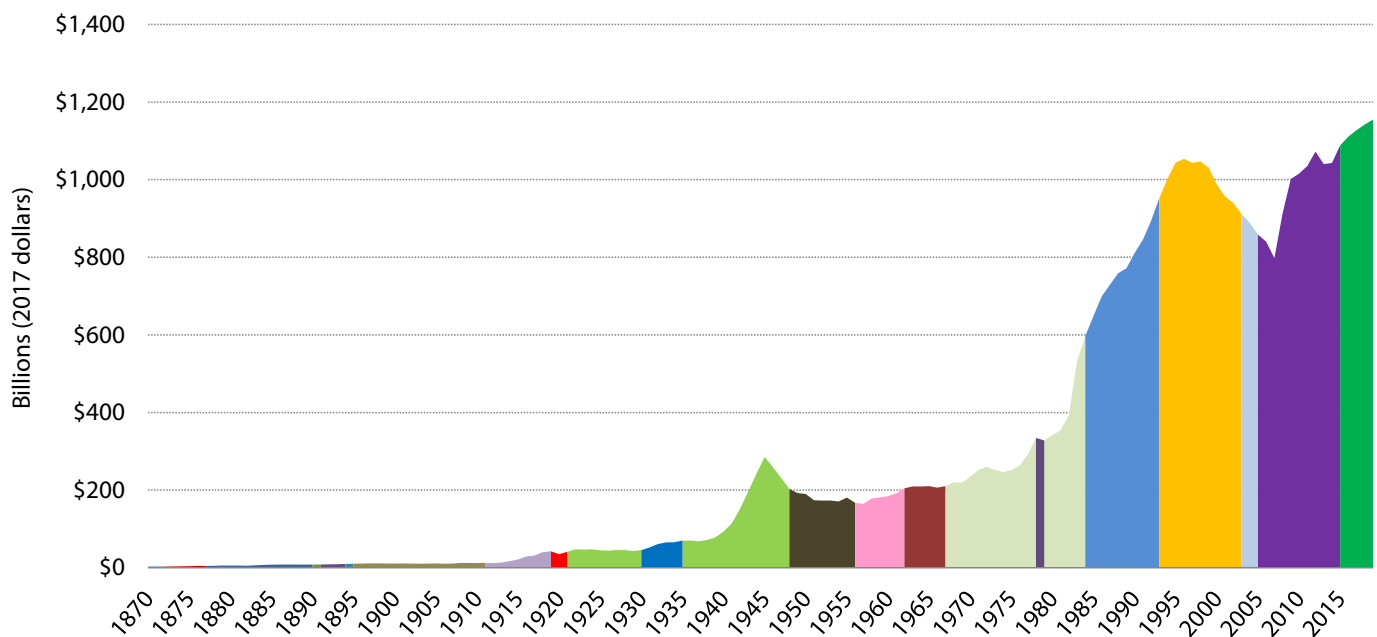
Data on federal gross debt come from different sources. Federal debt data for the fiscal years 1867 through to 1966 are taken from the Canada Year Books for 1940, 1950, and 1960.<sup>4</sup> Federal

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<sup>4</sup> While federal government accounting practices changed over time, the definition of debt is broadly consistent. The most notable government accounting change is that starting in 1907, the fiscal year ends on March 31st rather than on June 30th as it did previ-

# Prime Ministers and Federal Debt

Figure 1: Federal Gross Debt, 1870-2019 (in 2017 \$)



Sources: Canada, Department of Finance (2017a, 2017b); Statistics Canada (2009a, 2009b, 2009c, 2009d); Urquhart, 1988; calculations by authors.

debt data from 1967 to 2016 are from the Fiscal Reference Tables published by the department of finance. Debt figures for 2017 onward are drawn from the 2017 federal budget. We have included debt projections up to the year 2019 to provide a complete analysis for the tenure of Canada's current prime minister, Justin Trudeau.

To compare changes in federal debt over a long period, two adjustments must be made. The first is to account for changes in general price levels (inflation). To adjust for inflation, this bulletin follows Clemens and Palacios (2017) in using a GDP deflator. Since a GDP deflator price

index is available beginning in 1870, this is the starting year for the analysis of federal debt.<sup>5</sup>

Figure 1 shows inflation-adjusted federal gross debt from 1870 to 2019. The colours in the area graph indicate the tenures of various prime ministers. Overall, the figure displays a trend of increasing debt since 1870. For the first seven decades of data (1870 to 1940), the level of gross debt generally increased but remained low compared to more recent years. During

<sup>5</sup> An alternative price index that is commonly used is Statistics Canada's Consumer Price Index, which is only available as far back as 1914. The sources of data for the GDP deflator are: Urquhart (1988) (for 1870-1980), Statistics Canada (2017b) (for 1981-2015), and Canada, Department of Finance (2017b) (for 2016-2017).

ously. To accommodate the change, the fiscal year that started in 1906 was only nine months long.

# Prime Ministers and Federal Debt

World War II, there was a considerable increase (299 percent) in inflation-adjusted federal gross debt, from \$72 billion in 1938 (the year before Canada entered the war) to \$286 billion in 1945. Although federal gross debt fell in the years immediately after World War II, post-war debt levels remained higher than pre-war levels. Starting in the late 1950s, federal gross debt steadily increased until the mid-1990s. Following Prime Minister Jean Chretien's important fiscal reforms, it began to decrease until 2008, when it again began to climb upward. The debt is expected to reach a historical high of \$1.2 trillion (in 2017 dollars) in 2019.

Federal gross debt has generally increased over Canada's history, but so has Canada's population. The second adjustment to the debt data is to account for the growth in Canada's population since Confederation, which has gone from 3.5 million people in 1867 to a projected 36.6 million in 2017 (Statistics Canada, 2017; Urquhart, 1988). With a larger population, the debt burden is spread over more people. To account for this, the measure of debt used in this bulletin is inflation-adjusted gross (or total) debt per person.

An alternative method for measuring the change in prime ministerial debt accumulation would examine changes in debt as a share of GDP, rather than per person. While the debt-to-GDP ratio measures the ability of the government to sustain a given amount of debt based on the income generated in the economy, using this metric would produce misleading results in several cases when assessing changes in debt by prime minister. Unlike with population, changes in economic output are more variable year-to-year and are susceptible to major shocks such as economic downturns or booms. Importantly, a recession is out of the direct control of a prime minister but would

have a material impact if the debt-to-GDP ratio was used. Thus, prime ministers who served during recessions, or even the Great Depression, would be unfairly penalized, while others who, through pure luck, served in expansions, would benefit.

There are several cases in which variations in GDP growth affect the results. For example, consider the 8.1 percent economic growth in 1935 during R.B. Bennett's last year in office. Debt as a share of GDP fell in that year by 1.2 percentage points, but that decrease was due to economic growth, not a decline in debt. Debt increased in 1935 by 6.5 percent (in 2017 dollars) and debt per person increased by 5.5 percent. Because population growth is less variable over time, adjusting by population provides a better metric of debt accumulation over each prime minister's tenure since it is not as affected by swings in the economy.<sup>6</sup> For this reason, this bulletin focuses on the measure of inflation-adjusted gross debt per person.

## *Debt per person from 1870 to 2019*

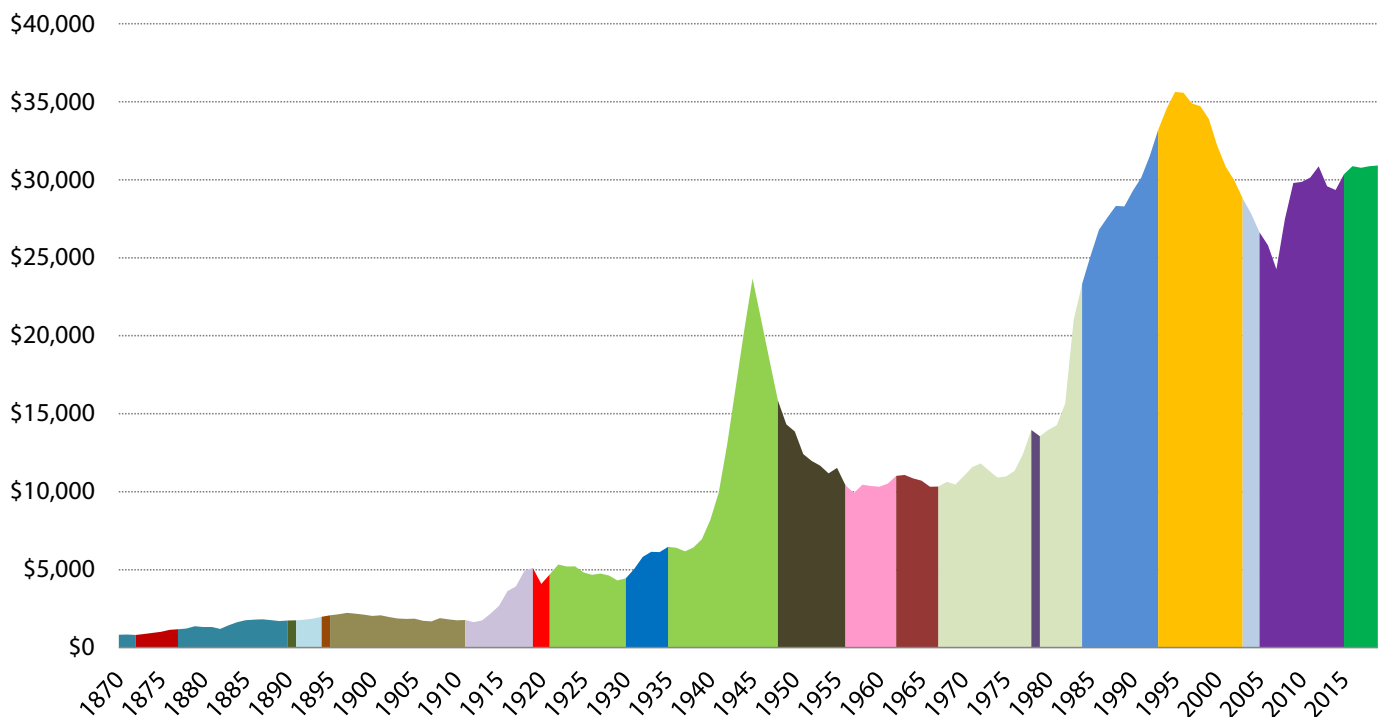
Figure 2 displays federal debt per person, in 2017 dollars, from 1870 to 2019. This figure gives some historical context for the results presented in the next section, which specifies which prime ministers saw an increase or decrease in debt per person over their tenure. While the general trend since Confederation has been towards higher per-person federal debt levels, some periods are notable for their increases or declines. For example, both World War I

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<sup>6</sup> The population in Canada grew at an average annual rate of 1.6 percent from 1867 to 2015. The standard deviation is 0.8 percentage points. The average annual change in inflation-adjusted GDP is 3.8 percent from 1871 to 2016. The standard deviation is 5.0 percentage points.

# Prime Ministers and Federal Debt

Figure 2: Federal Gross Debt per Person, 1870-2019 (in \$2017)



Sources: Canada, Department of Finance (2017a, 2017b); Statistics Canada (2009a, 2009b, 2009c, 2009d, 2017); Urquhart, 1988; calculations by authors.

and World War II saw rapid increases in federal per-person debt. During World War I, federal debt per person increased from \$1,752 in 1913 to \$4,926 in 1918. The increase was even greater during World War II, where it rose from \$6,423 per person in 1938 to \$23,666 in 1945. After both world wars, federal debt per person in Canada declined for approximately a decade, but in neither case did it return to pre-war levels.

The next time there was a general increase in federal debt per person was from the mid-1960s to the mid-1990s. Federal debt grew from \$10,317 per person in 1966 to the historic peak of \$35,631 in 1995, a growth of 245 percent. As noted earlier, fiscal reforms in the mid-1990s

under Jean Chretien initiated a period of debt reduction that continued under Paul Martin and for the first two years of Stephen Harper's tenure.<sup>7</sup> By 2007, federal debt had fallen to \$24,260 per person. In 2008, the financial crisis in the United States triggered a recession in Canada and federal debt once again began to increase. It is expected to reach \$30,915 per person by 2019—higher than the level in 2007 but lower than the peak in 1995.

<sup>7</sup> For a discussion about the fiscal reforms under Jean Chretien, see Clemens et al. (2017).



# Prime Ministers and Federal Debt

## Changes in federal debt per person by prime minister

Historical context is important in understanding debt accumulation. For instance, as mentioned, federal debt increased rapidly during the two world wars, as shown in figure 2. The prime ministers at the time, Sir Robert Borden and William Lyon Mackenzie King, increased federal debt so that Canada could participate significantly in the global conflicts. It would be unreasonable to simply conclude that these prime ministers left a high debt legacy without acknowledging the role that the world wars played in that debt accumulation.

Similarly, economic downturns, which are out of the direct control of a prime minister, also contribute to government debt accumulation. The federal government collects less revenue and increases its spending during an economic downturn as Canadians make more use of government services such as Employment Insurance.<sup>8</sup> The result is often a budget deficit that requires the government to borrow and incur debt. While debt accumulated during an economic crisis is not completely out of the control of a prime minister and his or her government, the state of the economy does have to be taken into consideration when assessing a prime minister's legacy of debt.<sup>9</sup>

<sup>8</sup> During an economic downturn, spending on programs such as Employment Insurance automatically increases because more people are making claims. Such spending, referred to by economists as “automatic stabilizers,” differs from discretionary spending in which a government actively decides to spend more or less money.

<sup>9</sup> Arguably major federal government undertakings such as the construction of national railways under Sir John A. Macdonald and Alexander Mackenzie as well as the expansion of social programs under Pierre Trudeau provide further context for increases

**Table 3: Years and Amounts that (Real) Inflation-Adjusted GDP Declined, 1870-2017**

Year	Percent decrease	Sitting Prime Minister
1875	4.2%	Alexander Mackenzie
1876	1.7%	Alexander Mackenzie
1878	0.3%	Sir John A. Macdonald
1893	0.5%	Sir John Thompson
1894	0.5%	Sir John Thompson
1908	4.6%	Sir Wilfrid Laurier
1914	6.8%	Sir Robert Borden
1917	1.1%	Sir Robert Borden
1918	6.1%	Sir Robert Borden
1919	3.6%	Sir Robert Borden
1920	0.5%	Arthur Meighen
1921	3.5%	Arthur Meighen
1929	0.2%	William Lyon Mackenzie King
1930	3.8%	William Lyon Mackenzie King
1931	13.5%	R.B. Bennett
1932	9.2%	R.B. Bennett
1933	7.1%	R.B. Bennett
1945	3.1%	William Lyon Mackenzie King
1946	1.0%	William Lyon Mackenzie King
1956	0.7%	Louis St. Laurent
1982	3.2%	Pierre E. Trudeau
1991	2.2%	Brian Mulroney
2009	2.9%	Stephen Harper

Sources: Canada, Department of Finance (2017b); Urquhart (1988); calculations by authors.

# Prime Ministers and Federal Debt

Economic downturns are measured using two different methods. The first is to simply identify the years in which there was a reduction in inflation-adjusted GDP—that is, the years in which economic output shrank. Table 3 lists the 23 years in Canada’s history in which there was a year-over-year reduction in GDP, and which prime minister was in office at the time. The largest reductions in economic output took place during the Great Depression under R.B. Bennett’s tenure.

However, this method may miss years where the economy had a downturn, yet where overall growth for the year was still positive. Such economic situations may adversely affect federal debt government accumulation. To account for this, the second measure uses the periods of recession identified by Cross and Bergevin (2012) after 1926. Table 4 lists the years when a recession took place and identifies the prime minister who held office during those years. While there is overlap between tables 3 and 4, the latter indicates that recessions as defined by Cross and Bergevin (2012) took place during John Diefenbaker’s tenure and Pierre Trudeau’s first tenure, which is not reflected in the annual reduction rates in table 3.

## *Percent change in federal debt per person by prime minister*

Figures 3a and 3b show the total percent growth in inflation-adjusted federal debt per person over the tenures of the Canadian prime ministers covered in this study. Specifically, figure 3a displays the prime ministerial tenures where a world war or economic downturn did not take place, while figure 3b

in federal debt. However, unlike with economic downturns and world wars, these prime ministers had more discretion in deciding to initiate spending programs that contributed to their legacy of debt.

**Table 4: Canadian Recessions Since 1926**

Years of recession	Sitting Prime Minister(s)
1929-1933	William Lyon Mackenzie King/ R.B. Bennett
1937-1938	William Lyon Mackenzie King
1947-1948	William Lyon Mackenzie King
1951	Louis St. Laurent
1953-1954	Louis St. Laurent
1957-1958	John Diefenbaker
1960-1961	John Diefenbaker
1974-1975	Pierre E. Trudeau
1980	Pierre E. Trudeau
1981-1982	Pierre E. Trudeau
1990-1992	Brian Mulroney
2008-2009	Stephen Harper

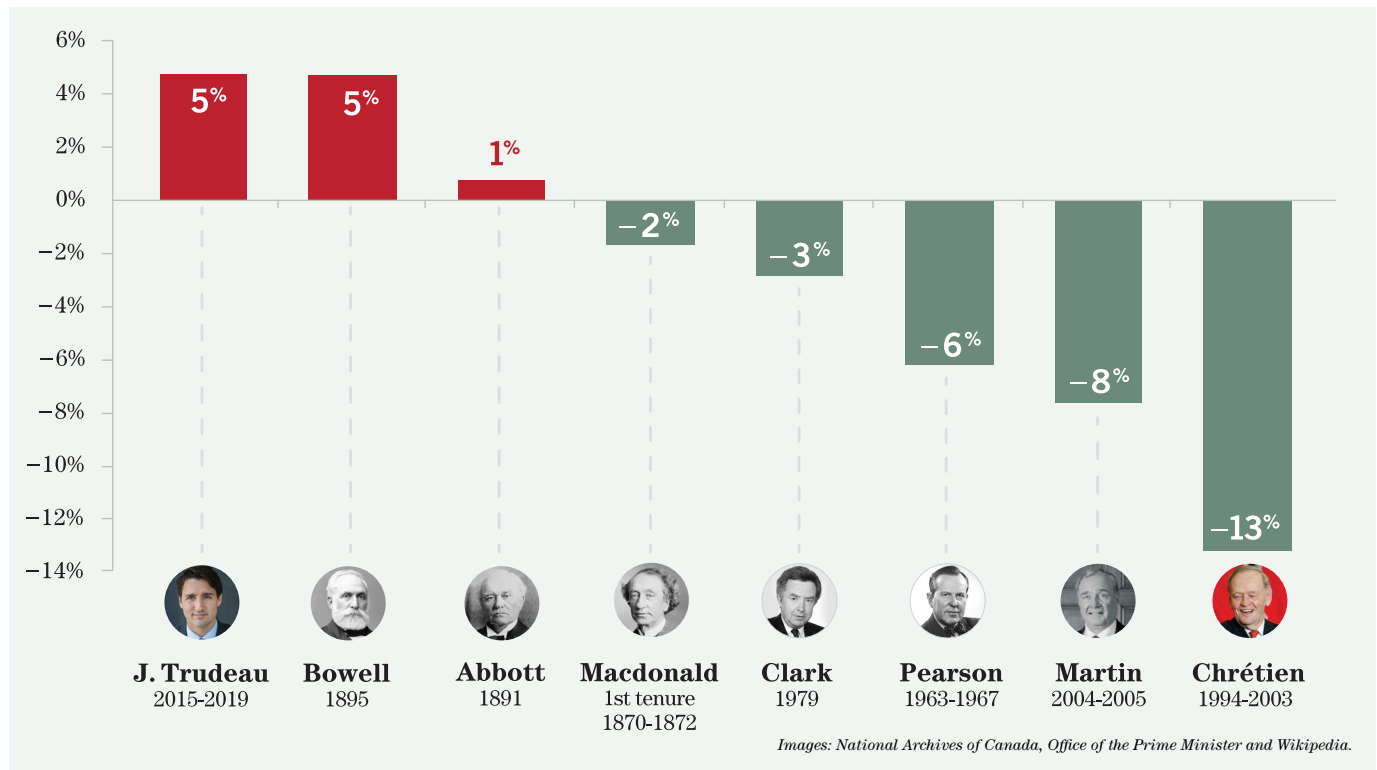
Source: Cross and Bergevin (2012).

shows the tenures in which a world war or economic downturn did occur. An economic downturn is defined as either (or both) a year-over-year drop in GDP or a recession as defined by Cross and Bergevin (2012). There is a total of 23 prime ministerial tenures because three prime ministers had two non-continuous tenures in office.

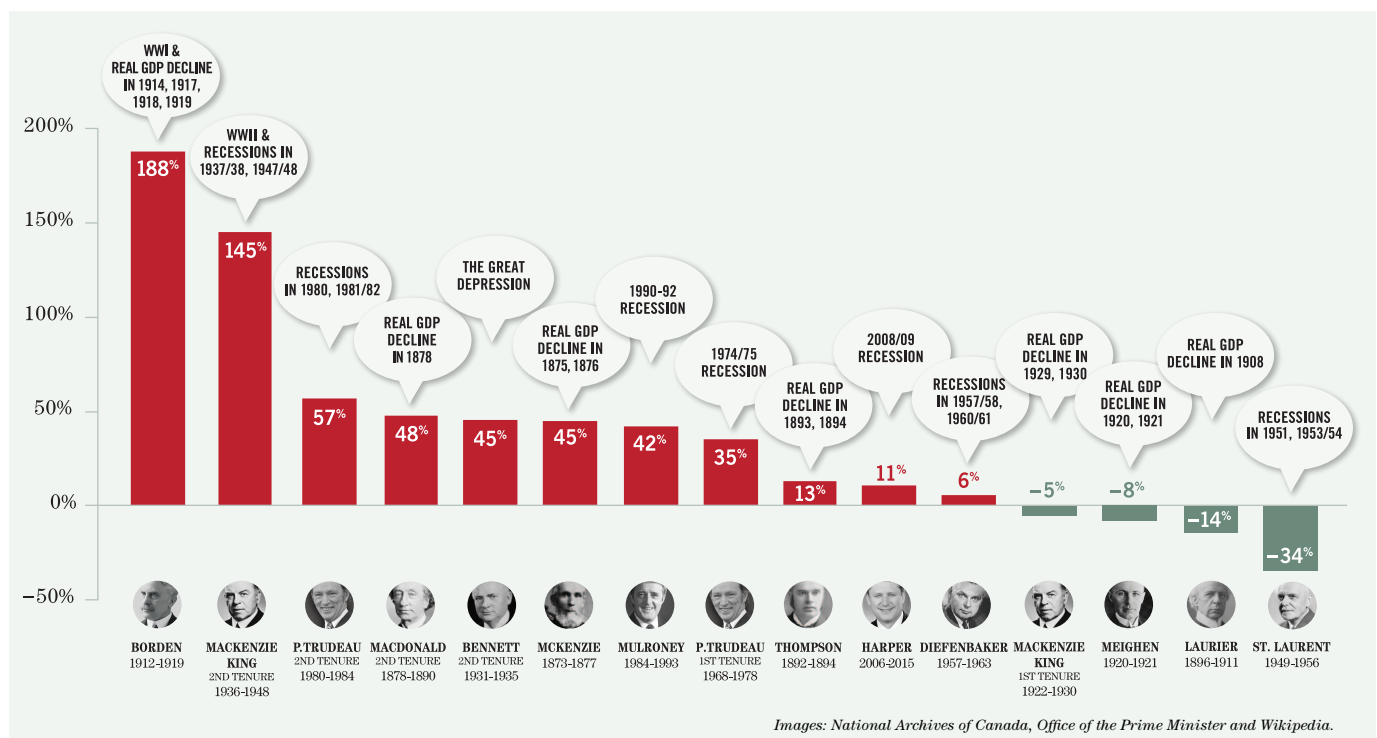
Of the 23 prime ministerial tenures, federal debt per person increased in 14. All but three cases of increases in federal debt per person coincided with a world war, an economic downturn, or both. As figure 3a shows, Justin Trudeau is the largest debt accumulator (5 percent) of any prime minister who did not experience a world war or an economic downturn during his tenure. He is followed closely by Sir

# Prime Ministers and Federal Debt

**Figure 3a: Percent Change in (Inflation-Adjusted) Debt per Person over Prime Ministerial Tenures Without a World War or Economic Downturn**



**Figure 3b: Percent Change in (Inflation-Adjusted) Debt per Person over Prime Ministerial Tenures With a World War or Economic Downturn**



# Prime Ministers and Federal Debt

Mackenzie Bowell, who also saw a 5 percent increase in per-person debt over his tenure. Note that there is a difference of 0.03 percentage points between Trudeau (4.73 percent) and Bowell (4.70 percent). Sir John Abbott (an increase of 1 percent) is the third prime minister who increased federal debt outside of a global conflict or economic downturn. In contrast, five of the eight prime ministers that did not experience a global conflict or economic downturn during their tenures reduced federal debt per person. This includes Liberal prime ministers Jean Chretien (-13 percent), Paul Martin (-8 percent), and Lester Pearson (-6 percent).

Among the remaining prime ministers that did experience a world war or economic downturn during their tenures (see figure 3b), Sir Robert Borden, the prime minister during World War I, oversaw the largest percentage increase in debt per person by a wide margin. Over his tenure, federal debt per person nearly tripled, increasing by 188 percent. Borden's tenure not only included World War I, but it coincided with GDP falling in four out of the eight years he was in office (1914, 1917, 1918, and 1919). The second largest percentage increase in debt per person took place during the second tenure of William Lyon Mackenzie King (145 percent), which also covered the period of Canada's participation in World War II and multiple economic downturns by both measures—two years of falling GDP (1945 and 1946) and two recessions (1937/38 and 1947/48). It is notable that during Mackenzie King's first tenure when there was no global conflict, federal debt per person fell by 5 percent.

The next highest per-person debt increase took place during Pierre Trudeau's second tenure and was less than half the increase of Macken-

zie King's second tenure<sup>10</sup> (57 percent).<sup>11</sup> However, Trudeau's second term was marked by economic downturns in Canada. Specifically, economic output fell by 3.2 percent in 1982. Cross and Bergevin (2012) identify two recessions during his tenure (1980 and 1981-1982).

Other increases in inflation-adjusted debt per person during prime ministerial tenures range from 6 percent (John Deifenbaker) to 48 percent (Sir John A. Macdonald's second tenure). Similar to William Lyon Mackenzie King, Sir John A. Macdonald reduced per-person debt during his first tenure (-2 percent) despite increasing it in his second tenure. Notably, there was an economic downturn during Macdonald's second tenure.

Four prime ministers reduced federal per-person debt despite experiencing an economic downturn during their tenures. Louis St. Laurent reduced federal debt per person by 34 percent and Sir Wilfred Laurier oversaw a reduction of 14 percent. Notably, the percent reductions in both

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<sup>10</sup> Pierre Trudeau's two tenures in office were interrupted by a single year, with the victory and subsequent defeat of Joe Clark in 1979. Pierre Trudeau's tenures are separated to be consistent with the method used for Sir John A. Macdonald and William Lyon Mackenzie King. If Pierre Trudeau's two tenures are combined, debt per person increased by 126 percent under him. (This total growth includes the 3 percent reduction under Joe Clark.)

<sup>11</sup> During Pierre Trudeau's second tenure (1980-1984), a change in accounting practices meant that debt from federally-owned crown corporations were added to federal government debt. This is reflected in the Fiscal Reference Tables, which itemized an increase in the category of debt referred to as "other liabilities" from \$3.5 billion in 1982 to \$29.5 billion in 1983. To ensure a consistent time series for Pierre Trudeau's second tenure, the calculation for this tenure in figure 3 excludes "other liabilities."



# Prime Ministers and Federal Debt

tenures is higher than the reduction during Jean Chretien's tenure (-13 percent), which did not include an economic downturn. The two remaining prime ministers who oversaw debt reductions during their tenures despite global conflicts or economic downturns are Arthur Meighen (-14 percent) and William Lyon Mackenzie King in his first tenure (-5 percent).

## Conclusion

This bulletin has measured per-person federal debt that Canadian prime ministers have accumulated from 1870 to the end of Justin Trudeau's first term in 2019. By the end of his term, Justin Trudeau is expected to be the largest debt accumulator among prime ministers who did not experience a world war or at least one economic downturn during their tenure. The only other two prime ministers to increase federal debt without fighting a world war or experiencing an economic downturn are Sir Mackenzie Bowell and Sir John Abbott who both served in the late 19th century.

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# Prime Ministers and Federal Debt

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