



NEWS RELEASE

Interest payments on government debt in Canada hit \$62.8 billion—or \$7,000 for a family of four

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VANCOUVER—Paying the interest on all government debt in Canada cost taxpayers \$62.8 billion last year, which translates into \$1,752 for every Canadian or slightly more than \$7,000 for a family of four, finds a new study by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

Federal and provincial debt in 2016/17 will total \$1.4 trillion, an increase of more than half-a-trillion dollars since 2007/08, when government debt started to climb.

“It’s not a choice—interest must be paid on government debt, and the more money governments spend on interest payments the less money is available for the programs and services that matter to Canadians,” said Charles Lammam, director of fiscal studies at the Fraser Institute and co-author of *The Cost of Government Debt in Canada, 2017*.

The study finds that interest payments on all government debt—including federal, provincial and municipal debt—in 2015/16 cost roughly the same amount as what the country spent on public primary and secondary education combined, which totalled \$63.9 billion in 2013/14, the last year of available data.

In fact, interest payments on just the federal debt—\$24.9 billion—is roughly the same as the federal government’s projected deficit this year—\$25.1 billion.

Taxpayers in different provinces have different debt interest burdens.

For example, interest on Ontario’s provincial debt is \$11.4 billion, but add to that its portion of federal debt interest payments (\$9.8 billion) and the total is a staggering \$21.2 billion, almost the equivalent amount the province collects in HST (\$23.8 billion).

Alberta’s combined provincial-federal debt interest payments will cost \$5.3 billion this year, which is more than the province will spend on social services, including welfare.

In B.C., interest payments for both the provincial debt and its share of the federal debt—\$5.6 billion—is comparable to what the province collects in PST.

“Governments across Canada are racking up large debts with no end in sight and this imposes real costs on Canadians. Interest payments are substantial and take money from other important priorities, such as social programs or tax relief.”

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