

# NEWS RELEASE

## Quebec now a fiscal leader in Canada while Ontario and Alberta pile on debt

September 7, 2017  
For immediate release

**MONTREAL**—Quebec is shedding its reputation as a poor fiscal manager while Ontario and Alberta, former economic engines of the country, are rapidly increasing government debt, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Over the past few years, the government of Quebec has pursued sound fiscal policies and, while there’s still work to do, the province’s finances are heading in the right direction—unlike Ontario and Alberta,” said Charles Lammam, director of fiscal studies at the Fraser Institute and co-author of *Canada’s Past Fiscal Leaders Now Fiscal Laggards: An Analysis of 2017 Provincial Budgets*.

The study finds that Quebec, which tabled its third consecutive balanced budget this year, will actually see its net debt (debt adjusted for financial assets) shrink from \$186.5 billion to \$183.7 billion over the next four years.

By comparison, Alberta and Ontario, with only half of the country’s population, will add nearly 75 per cent of all provincial debt accumulated this year.

In fact, Ontario’s net debt is expected to increase from \$302 billion last year to a staggering \$336 billion by 2019/20.

Moreover, eight years ago, Quebec’s debt burden was \$4,435 higher per person than Ontario’s. Now per-person debt is nearly identical in both provinces at just over \$22,000. But whereas Quebec’s per-person debt burden is forecast to steadily decline over the next few years, Ontario’s is expected to keep growing and will eclipse Quebec’s next year.

And because of Quebec’s prudent fiscal policies, the government has been able to enact some (albeit modest) tax relief for Quebecers, but the province has much work to do to enhance its tax competitiveness.

“Quebec has suffered decades of fiscal mismanagement, so it will take more time to repair the damage, but the government is taking meaningful steps to reduce the province’s debt and that’s encouraging,” said Ben Eisen, director of the Fraser Institute’s Provincial Prosperity Studies and study co-author.

“Ontario and Alberta, formerly the powerhouses of the Canadian economy, could now take a lesson in fiscal management from Quebec,” Lammam said.

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