

NEWS RELEASE



Newfoundlanders will pay \$2,604 per person this year in interest costs for combined federal and provincial debt; Atlantic Canada has four of the six highest interest costs per person nationwide

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HALIFAX— Residents in Newfoundland and Labrador face the highest combined federal-provincial interest payments in the country at \$2,604 per person, and residents in the other Maritime provinces are paying more than \$1,200 per person, finds a new study released today by the Fraser Institute, an independent, non-partisan, Canadian public policy think-tank.

“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 Atlantic Canadians,” said Steve Lafleur, a senior policy analyst at the Fraser Institute and author of *Federal and Provincial Debt Interest Costs for Canadians*.

The study finds that taxpayers across Canada will pay \$49.6 billion on interest payments on the federal and provincial debts this year alone, and the Atlantic Canadian provinces have four of the six highest per person interest costs nationwide.

Newfoundland and Labrador’s combined interest costs per person is the highest in the country at \$2,604. In fact, 15.1 per cent of the province’s revenues will be spent on debt interest costs this year. That’s one out of every six dollars in government revenue just going to interest on the debt.

Debt interest costs elsewhere in the region are also high. New Brunswick residents will pay \$1,376 per person in 2020/21 in combined debt interest payments. Nova Scotia and Prince Edward Island each have combined debt interest costs of \$1,293 per person.

“Even before the COVID-19 pandemic and recession, governments across Atlantic Canada and in Ottawa have been racking up large debts, and this debt imposes real costs on taxpayers,” said Jake Fuss, a senior economist at the Fraser Institute and study co-author.

“Interest payments across the Atlantic Canada region are substantial, and that takes money away from other important priorities.”


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