



Reflecting on Canada's Fiscal Past: An Assessment of the Fiscal Performance of Canadian Prime Ministers

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This study was commissioned by the Centre for Civic Engagement. The CCE is a non-partisan Canadian charity dedicated to conducting original research on public policy issues related to Canadian prosperity, productivity, and national flourishing. The CCE's research informs an active program of policy seminars, events, conferences, and lectures all aimed at providing the policy making community with actionable insights that encourage informed decision making on issues that matter to Canadians.

Introduction

With a new Prime Minister arriving and an election potentially on the horizon, now is as good a time as any to assess the economic and fiscal performances of Canada's prime ministers. Since 1867, 23 individuals have served as Canadian prime minister. Terms in office have ranged from a matter of a few weeks in the case of figures like Charles Tupper to over two decades in the case of William Lyon Mackenzie King.

Economic and fiscal outcomes aren't the only way to judge a prime minister's record. But they are of course, big ones and integral parts of history's judgement. The purpose of this essay is to assess the economic and fiscal performances of Canada's prime ministers.

Focusing on the outgoing Prime Minister, aside from absolute growth in population and immigrants, Justin Trudeau's legacy will be one of middling to below average performance on key indicators like real GDP per capita, inflation and fiscal management

However, after evaluating several metrics, the most well-rounded and successful Prime Minister was Louis St. Laurent. His performance was significantly above average in managing debt and deficits, population and immigration growth, real per capita GDP growth, and maintaining moderate yet above-average inflation.

Let's dive into the numbers.

Measuring the Success of Prime Ministers

There are various factors that influence the economic and fiscal records of prime ministers, including their duration in the office, the quality of their overall team (including cabinet ministers and staff), and of course external events. When British Prime Minister Harold MacMillan was asked about what the biggest challenges were, he famously replied “Events, dear boy, events.”¹

As a small open economy, external economic and fiscal events have been frequent and generally out of the hands of any Prime Minister. Canada’s first two Prime Ministers – John A. Macdonald and Alexander Mackenzie – were both hit by the Panic of 1873² and what turned into what used to be termed the Great Depression – until the 1930s – with slow economic growth stretching into the 1890s. Sir Wilfrid Laurier fortuitously came into office at about the same time as a world upturn in commodity and wheat prices, and his years in office coincided with the great Canadian boom period of western settlement and economic growth. Sir Robert Borden had to contend with the financial demands of World War I that saw him bring about personal income and business taxation. And, of course, these men’s successors have faced a slew of conflicts, economic booms and busts, and pandemics just to name a few.

Although our prime ministers cannot greatly influence the course of world events, how Canada has performed in terms of both economic and fiscal indicators, which are inevitably intertwined,³ is a metric of how well their governments were able to respond to world events.

The following charts attempt to present a broad sweep of indicators and rankings of primarily economic and fiscal nature for prime ministerial tenures based on data taken from an assortment of sources: *Finances of the Nation*,⁴ *The Fiscal Reference Tables*,⁵ Statistics Canada,⁶ the *Canada Yearbook*⁷ and *Historical Statistics of Canada*.⁸

While there are challenges with data compatibility over time and matching data to tenures, the analysis below represents an attempt to manage these issues as best as possible. So, caveats aside, here are the results. And, while Justin Trudeau was in office until 2025, the absence of a full year of 2025 data means his term is evaluated using 2024 as the end point.

¹ Harold MacMillan, “Events, Dear Boy”: managing incidents before they become crises,” Gov. UK, published July 7, 2020, <https://www.gov.uk/government/speeches/events-dear-boy-managing-incidents-before-they-become-crises>.

² “The Panic of 1873,” *Library of Congress – Research Guides*, <https://guides.loc.gov/this-month-in-business-history/september/panic-of-1873>.

³ Livio Di Matteo, “A Federal Fiscal History: Canada, 1867–2017,” *Fraser Institute*, 2017, <https://www.fraserinstitute.org/sites/default/files/federal-fiscal-history-canada-1867-2017.pdf>.

⁴ “Finances of the Nation Data Sets,” *Finances of the Nation* online, <https://financesofthenation.ca/data/>.

⁵ Historical statistics of Canada: Sections,” *Statistics Canada* archive online, July 7, 2014, <https://www150.statcan.gc.ca/n1/pub/11-516-x/3000140-eng.htm>.

⁶ “Canada’s national statistical agency – Home page,” *Statistics Canada* online, 2025, <https://www.statcan.gc.ca/en/start>.

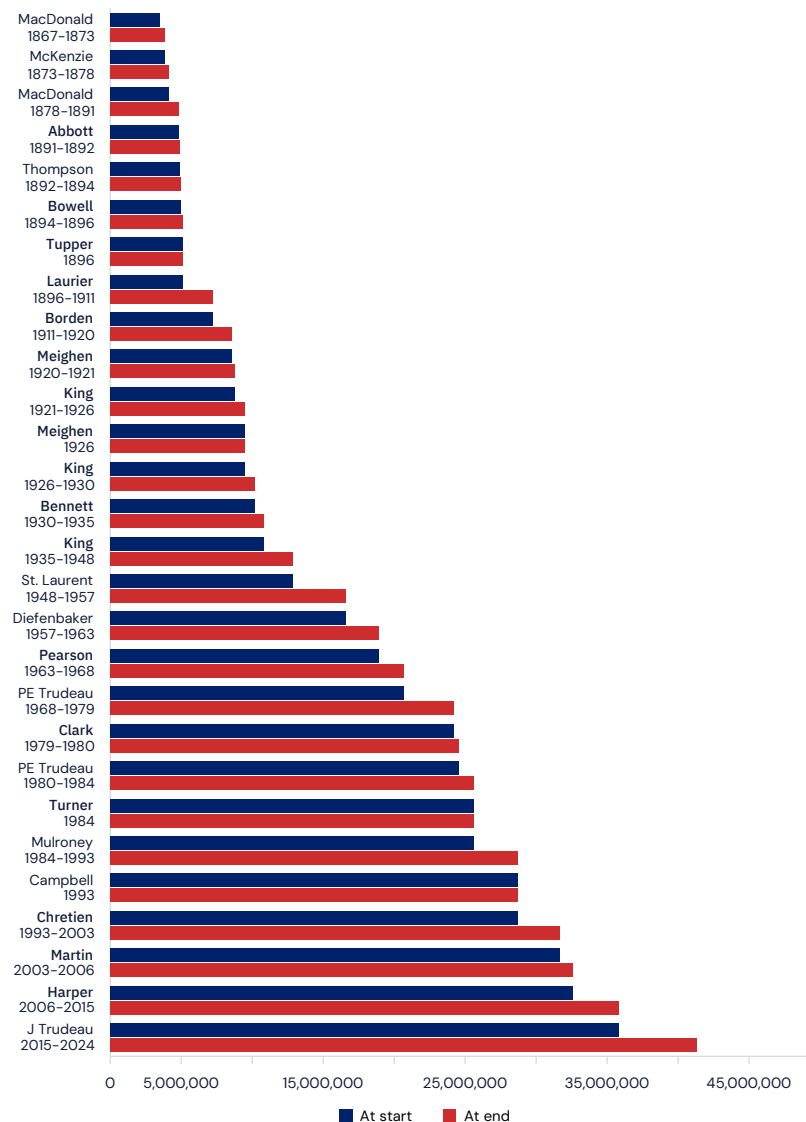
⁷ “Welcome to the Canada Year Book (CYB) Historical Collection,” *Statistics Canada* archive online, March 31, 2008, https://www65.statcan.gc.ca/acyb_r000-eng.htm.

⁸ “Historical statistics of Canada: Sections.”

The Economic and Fiscal Records of Canada's Prime Ministers

Figures 1 to 3 provide an overview of overall trends in population, real per capita GDP, and net debt to GDP at approximately the start and end of each Prime Minister's term to provide some temporal context for the subsequent rankings. All Prime Ministers saw population increases during their terms in office, and naturally, longer terms saw a larger absolute increase. In terms of the largest absolute increases, they are Justin Trudeau (2015–2024) at 5.5 million, Louis St. Laurent (1948 to 1957) at 3.9 million and Pierre Elliot Trudeau at 3.5 million.

Figure 1: Canadian Population at the Start and End of Prime Ministerial Tenures, 1867–2024



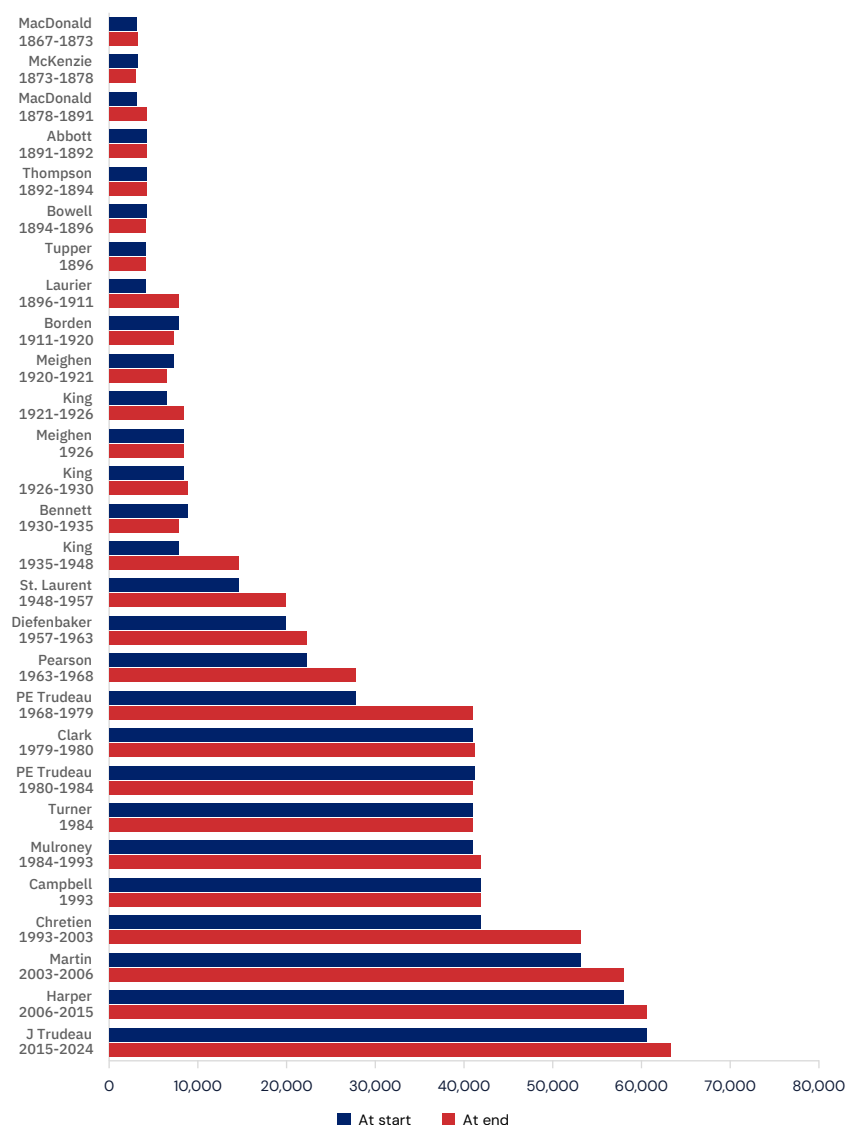
Data Source: Finances of the Nation, Statistics Canada

As for real per capita GDP, a common measure of average living standards, aside from those whose terms fall within one year, nearly all Prime Ministers saw an increase in real per capita GDP between the start and end years of their term.

But there were six exceptions: Sir Alexander McKenzie (1873–1878) with a 9 percent drop, Sir John Abbot (1891 to 1892) with a 2 percent drop, Sir Mackenzie Bowell (1894–1896) with a 4 percent drop, Sir Robert Borden (1911–1920) with a 7 percent drop, Arthur Meighen (1920–21) with an 11 percent drop (and also proof that pre 1926 you did not need to be knighted to be associated with falling real per capita GDP), R.B. Bennett (1930–35) with an 11 percent drop and finally Pierre Elliot Trudeau’s second term (1980–84) which saw a one percent drop.

While the outgoing incumbent of the office has been associated with falling real per capita GDP over the past two years, overall, Justin Trudeau still saw an increase between 2015 and 2024.

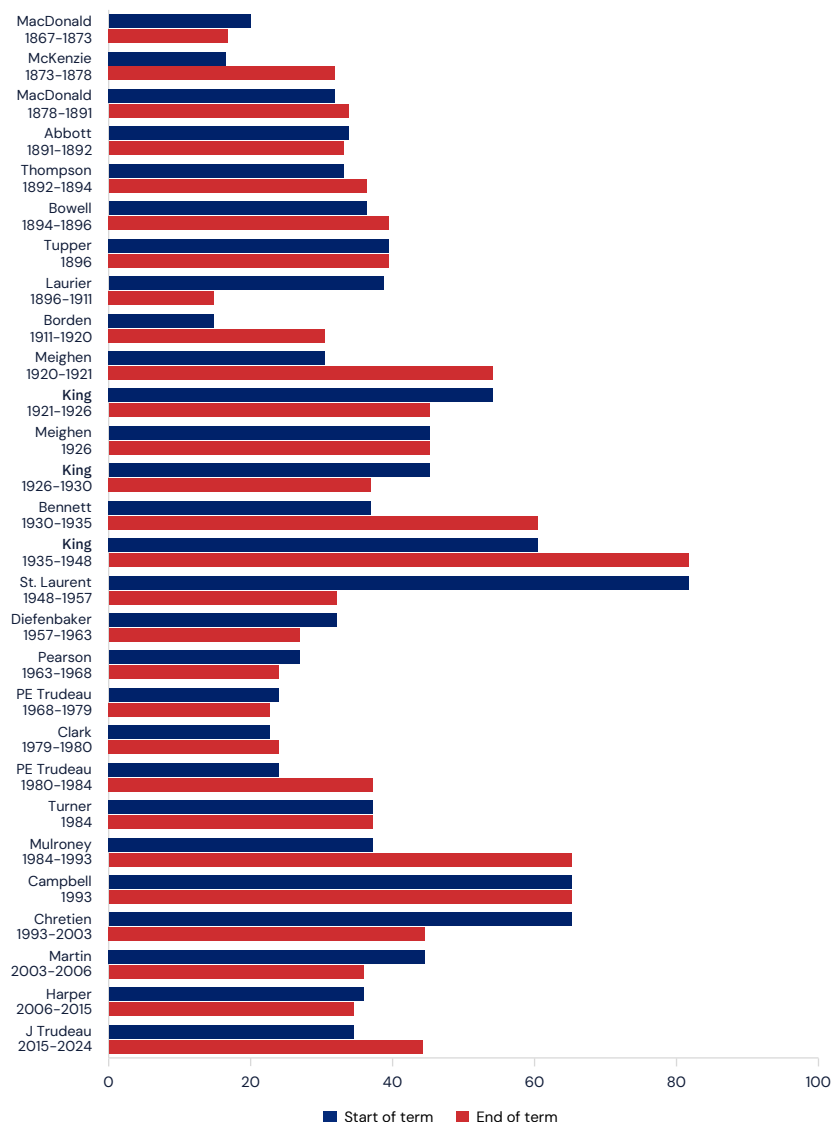
Figure 2: Real Per Capita GDP (\$2020) at the Start and End of Prime Ministerial Tenures, Canada, 1867–2024



Data Source: Finances of the Nation

In terms of the net debt-to-GDP ratio, **Figure 3** illustrates that it has seen its ups and downs, with some Prime Ministers exiting with a lower net debt-to-GDP ratio and others with a higher one. Those showing a decrease in the net debt to GDP ratio are Macdonald, Abbott, Laurier, King (1926–30), St. Laurent, Diefenbaker, Pearson, PE Trudeau (1968–79), Chretien, Martin, and Harper. The largest percentage point reduction from start to finish (– 50 points) was Louis St. Laurent followed by Laurier (–24 points) and then Chretien (–21 points). As for the largest increases: Mulroney (28 points), with Meighen (1920–21) and R.B. Bennett tied for the next place (at 24 points) and then King (1935–48) at 21 percentage points.

Figure 3: Net Debt to GDP Ratio (%) At the Start and End of Prime Ministerial Tenures, Canada, 1867–2024



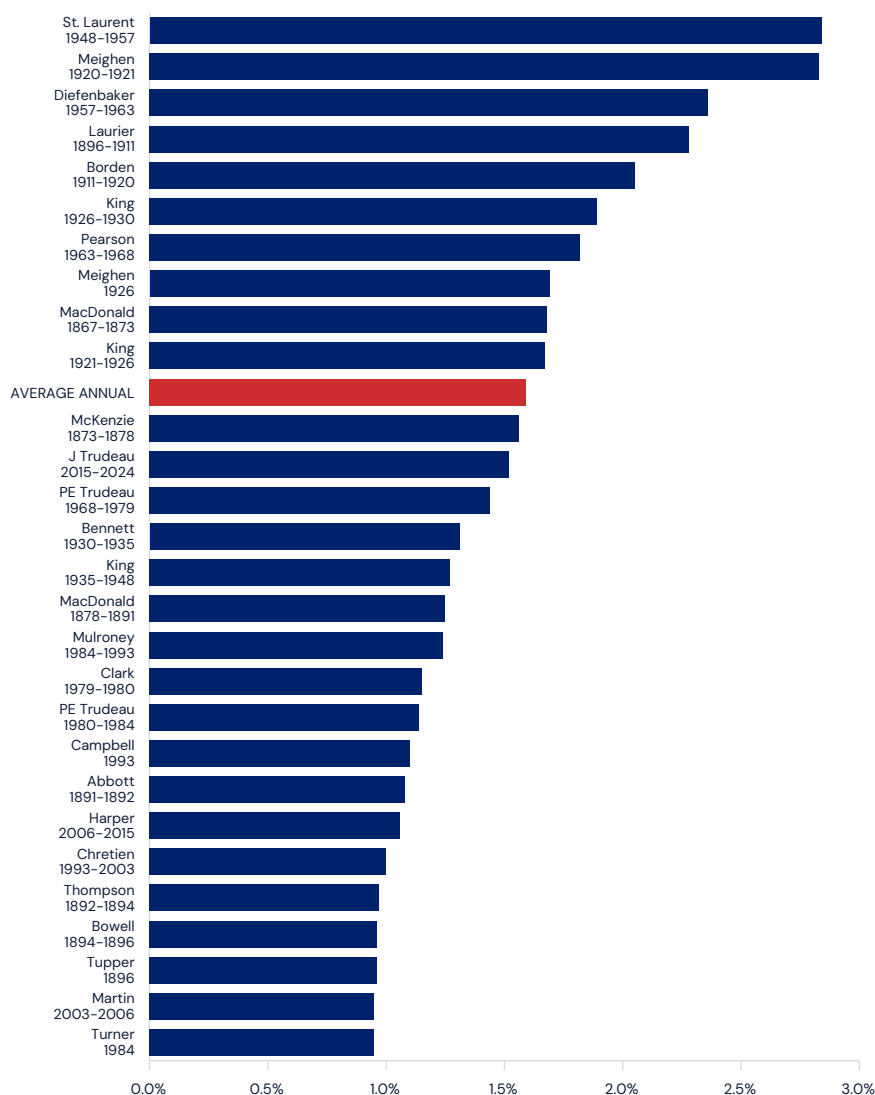
Data Source: Finances of the Nation, Public Accounts of Canada, Fiscal Reference Tables.

However, any ranking needs to adjust for the length of term to create a more level playing field, so to speak, and that can be done by looking at average annual numbers. This is done in **Figures 4 to 9** for an assortment of indicator variables. Considering recent concerns about rapid population growth in Canada and its impact on housing and health care, **Figure 4** puts population growth into historical perspective by plotting ranked average annual population growth for each Prime Minister along with the average annual growth rate from 1867 to 2024 at 1.6 percent.

St. Laurent, Meighen, Diefenbaker, Laurier and Borden saw the fastest rates of population growth, with all of them above 2 percent – well above average. At the bottom, at close to one percent annually, are Thompson, Bowell, Tupper, Martin and Turner.

The most recent Prime Minister's performance here at 1.5 percent annual growth is quite close to the average but comes after below-average annual growth for his immediate predecessors – Chretien, Martin and Harper, who were all at about 1 percent.

Figure 4: Ranked Average Annual Population Growth Rate (%) By Prime Ministerial Tenures, Canada, 1867-2024

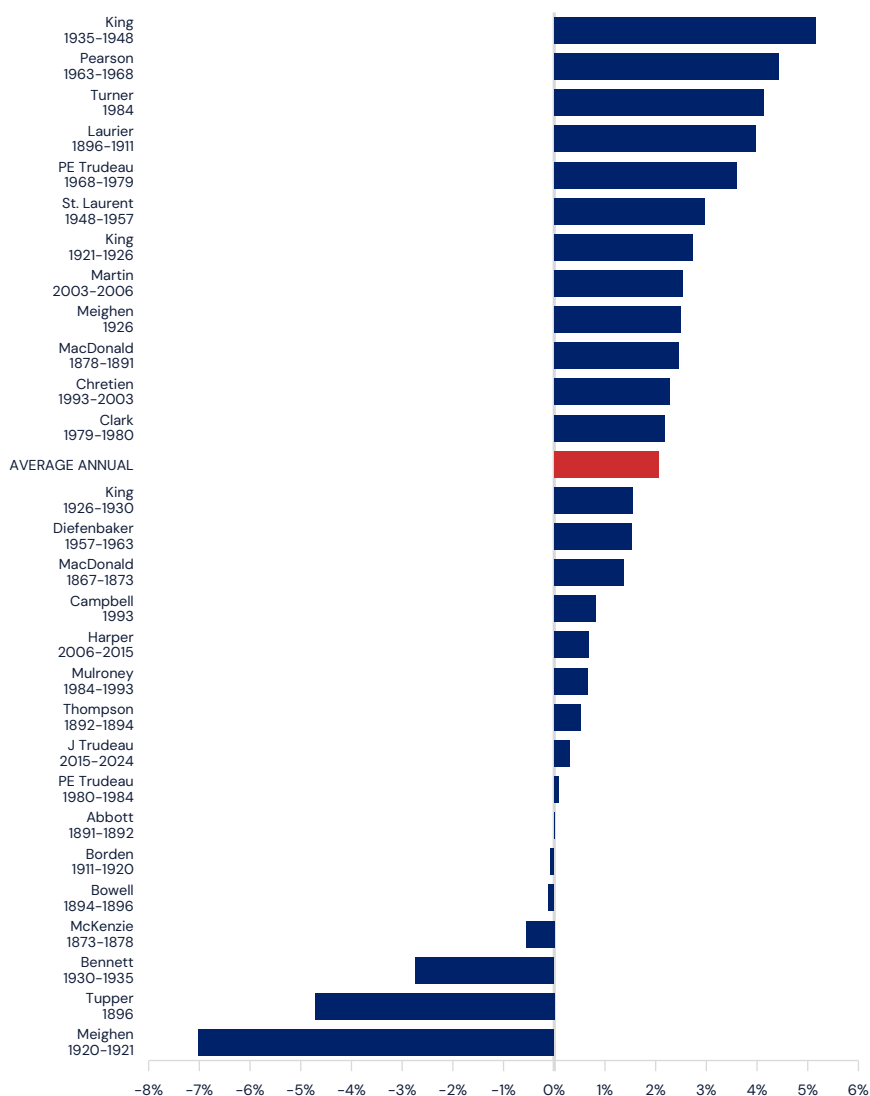


Data Source: Finances of the Nation and Statistics Canada

Economic performance is a key metric, and there has been a lot of angst about our declining real per capita GDP growth as well as its decline relative to the United States. **Figure 5** ranks prime ministers by the average annual growth rate of real per capita GDP, keeping in mind that for some prime ministers, the number is just a point estimate given their short tenure. From 1867 to 2024, real per capita GDP's average annual growth rate is 2.1 percent. At the top of the chart is Mackenzie King, whose tenure included the end of the Great Depression, the Second World War and the start of the post War boom, which saw an annual average real per capita GDP growth of 5 percent.

Next are Pearson and then Turner, both at over 4 percent, followed by Laurier at 4 percent and then Pierre Trudeau at about 3.5 percent. The worst performance – at minus 7 percent – occurred during Meighen's first tenure, which was during the steep downturn in the aftermath of both World War I and the Spanish Flu. Other notable negative performances happened under the watches of Tupper, Bennett and Alexander Mackenzie. In general, Prime Ministers who served during significant global economic shocks or downturns are associated with below average performances. Timing is everything, as Mackenzie King's first term (1926–30) is below average while his second term (1935–48) tops the chart. Similarly, for PE Trudeau, who is first term was above average (1968–79) and then well below average the next time around (1980–84).

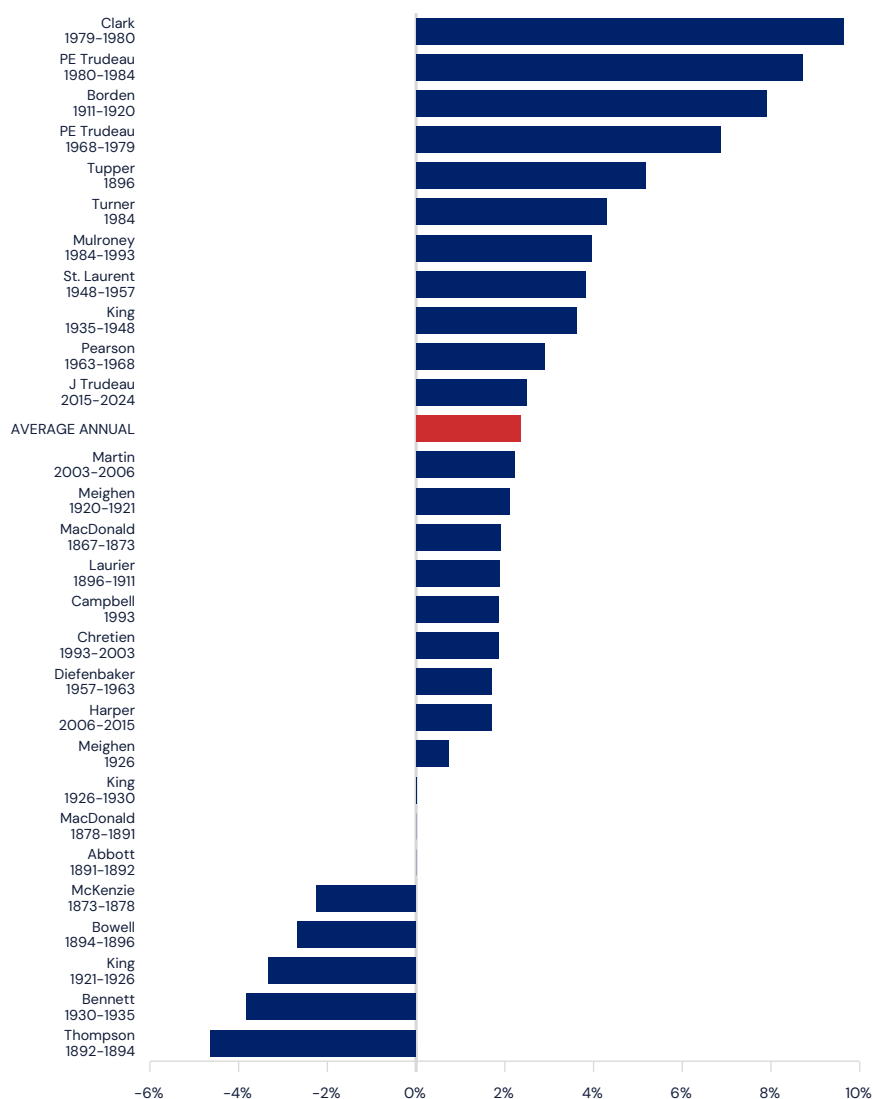
**Figure 5: Ranked Average Annual Real Per Capita GDP Growth Rate (%)
By Prime Ministerial Tenures, Canada, 1867–2024**



Data Source: Finances of the Nation

If cost of living is your preferred metric, then average annual CPI inflation (**Figure 6**) yields some interesting insights. The overall average rate of CPI inflation from 1867 to 2024 was 2.4 percent. The highest inflation rates were during the 1970s and early 1980s, with the average annual inflation rate above 6 percent for Clark, both tenures of Pierre Trudeau, and Robert Borden. The experience of the two World Wars can be contrasted with that of World War I under Borden, which saw an average of nearly 8 percent annual inflation, while the era spanning World War II under Mackenzie King was less than half that rate. One can chalk up that differential performance to either the acquisition of economic experience in managing wartime inflation or perhaps more directly the wages and price controls and economic management in effect during World War II. Canada has also seen some periods of deflation and again all of these seem to coincide with tenures near significant economic downturns – Thompson during the recession of the early 1890s, Bennett during the Great Depression, Mackenzie King in the aftermath of the early 1920s downturn, Bowell during the long recovery after the recession of the early 1890s and Alexandar Mackenzie during the depression of the 1870s.

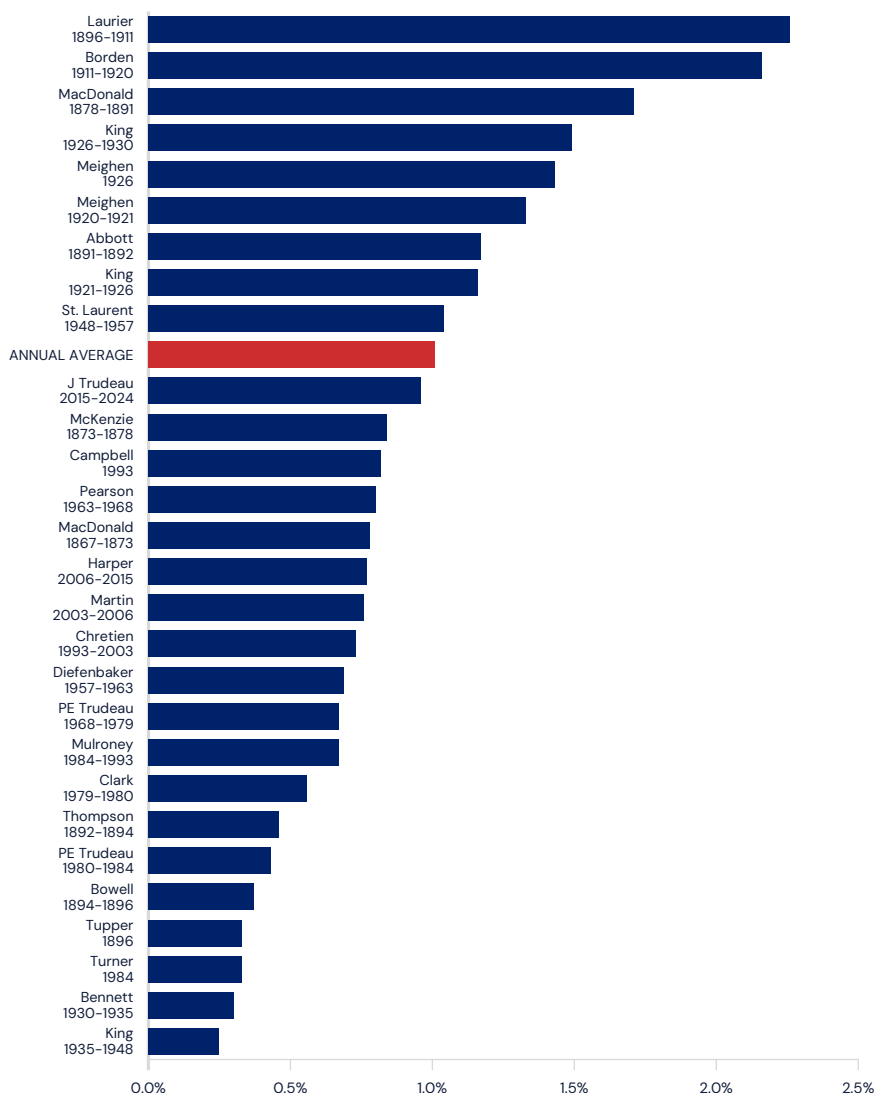
Figure 6: Ranked Average Annual CPI Inflation Rate (%) By Prime Ministerial Tenures, Canada, 1867-2024



Data Source: Finances of the Nation

Immigration and population growth have been up front and center as issues over the last two years, and **Figure 7** ranks immigration as a share of the population. While recent years have seen the largest absolute flow of immigrants to Canada in absolute numbers, as a share of population, the largest flows are in the past. Laurier and Borden saw the highest annual average shares of immigrants to population at over 2 percent. While Justin Trudeau tops the chart in absolute numbers, as a relative share of the population, he comes in at the bottom of the top third and just below the overall average of 1 percent, although these immigrant numbers don't include temporary migrants.

Figure 7: Ranked Immigrants as a Share of Population (%) By Prime Ministerial Tenure, Canada, 1867-2024

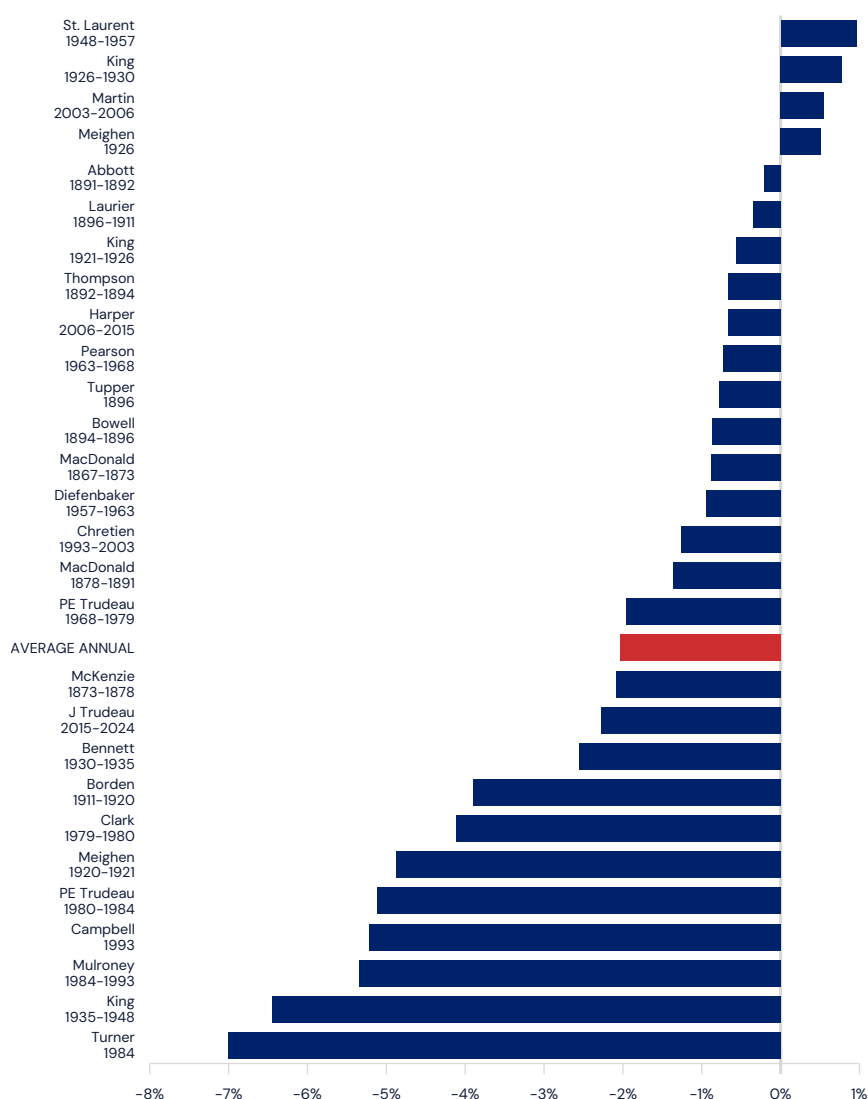


Data Source: Historical Statistics of Canada, Statistics Canada

The public finances are another area where Prime Ministers face challenges, and our Prime Ministers have been challenged indeed. Over the period 1867 to 2024, Canada's federal government has run a deficit approximately 75 percent of the time. The longest consecutive periods of surplus or balanced budgets have been during the "Roaring Twenties" from 1924 to 1930, the post-WWII period from 1947 to 1952, and the aftermath of the federal fiscal crisis from 1998 to 2008. The longest period of consecutive deficits was the runup to the federal fiscal crisis of the 1990s, with deficits consecutively from 1971 to 1997.

However, rather than count deficits, another metric to measure the severity of deficits is the deficit-to-GDP ratio, which, for the 1867 to 2024 period, averaged 2 percent. **Figure 8** ranks the Prime Ministers by the size of the deficit to GDP ratio, and only a select few can claim the mantle of average surpluses during their tenure. Louis St. Laurent was the clear winner here, with an average surplus to GDP ratio of nearly one percent. He was followed by King (1926–30), Martin, and Meighen (1926). After that, deficit to GDP ratios are progressively larger, with the largest being under Campbell, Mulroney, King (1935 to 48) and Turner. Of course, Campbell and Turner have the misfortune of being one-year entries, Mulroney’s term combined recessions and high interest rates while King (1935–48) had a world war to fight.

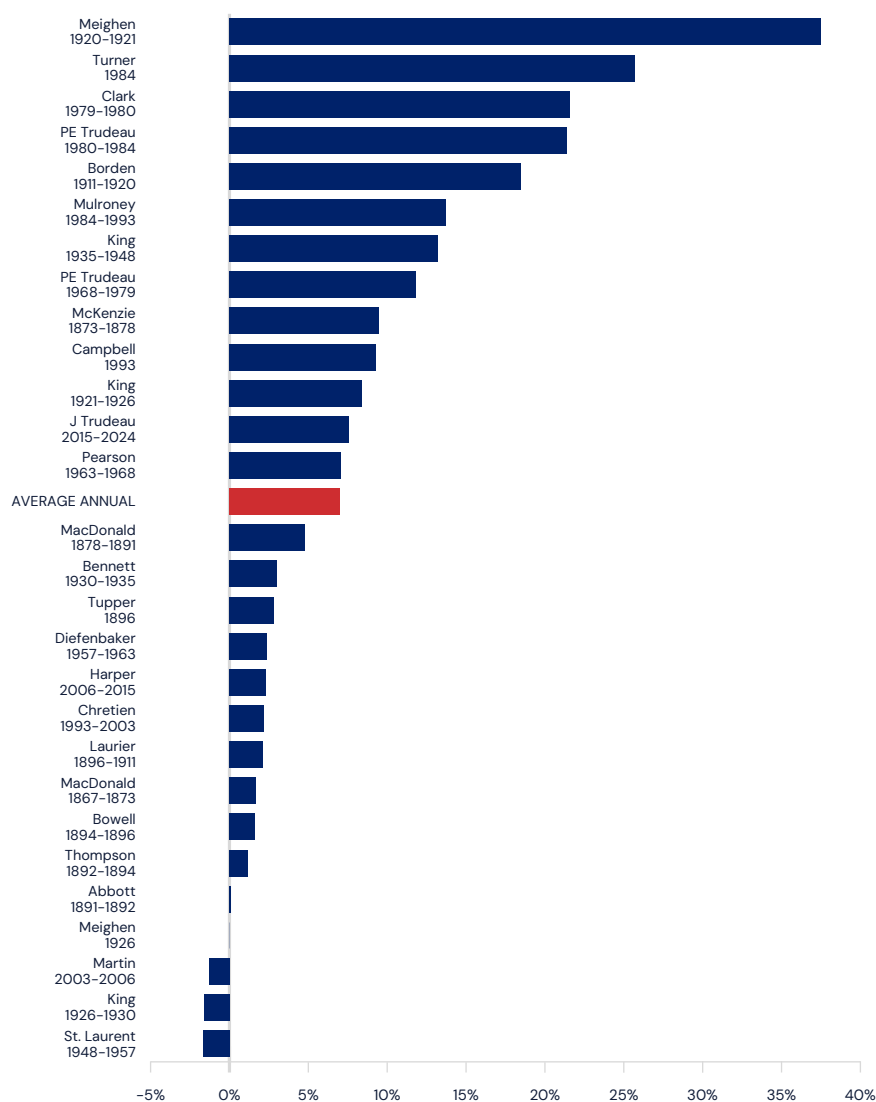
Figure 8: Average Annual Deficit to GDP Ratio (%) By Prime Ministerial Tenures, Canada 1867-2024



Data Source: Historical Statistics of Canada, Fiscal Reference Tables

Economic and political circumstances have a way of foiling the best intentions when it comes to fiscal rectitude, and this is further reinforced if one looks at the average growth rate of federal net debt by Prime Minister plotted in **Figure 9**. The first interesting statistic is that on average, the federal net debt has grown since Confederation at an annual rate of 7 percent. The largest average percentage increases in net debt were under Meighen (1920–21), Turner (1984), Clark (1979–80), PE Trudeau (1980–84) and Borden (1911–20), followed by Mulroney and King (1935–48). These large increases were associated with World War – Borden and King – and the stagflation and high-interest rate environment of the post-1973 Oil Crisis – Trudeau, Clark, Turner and Mulroney. On the other hand, on average, the growth of the federal net debt appears to have been in definite remission during the tenures of Martin, King (1926–30) and St. Laurent.

**Figure 9: Ranked Average Annual Growth of Federal Net Debt (%)
By Prime Ministerial Tenures, Canada 1867–2024**



Data Source: Canada Yearbook, Fiscal Reference Tables

Who Was the Most Successful Prime Minister?

As a new Prime Minister arrives, what are the lessons from all these charts and indicators? The most important thing to remember is that Canada is a small open economy. While Canadian Prime Ministers have made some notable contributions on the international stage (Pearson and Mulroney both come to mind here), they generally cannot control the course of world political and economic affairs or the arrival of war, plague and pestilence for that matter.

Moreover, a Prime Minister operates within a federal system with responsibilities that are often shared with the provinces, and which have evolved over the course of Confederation because of changes in convention or the result of legal rulings. For example, while disallowance is a federal power under the Constitution (disallowance is a federal power that allows it to declare provincial laws null and void), the last time it was used was 1943⁹ and legal rulings over time have often interpreted the constitution in favour of provincial rights. Then, there is the matter of minority and majority governments affecting the ability to get things done.

Yet, over the decades, there has been increasing centralization of power within the ranks of the Prime Minister's Office. How a Prime Minister responds to fiscal and economic turbulence and turmoil is within their purview, and they must play the hand that they are dealt. Some have done better than others, in part because of their abilities and in part because of circumstances. For example, Sir Wilfrid Laurier presided over an economic boom and western settlement that was driven by international demand for agricultural products, but he did also put in place policies that fostered immigration and agricultural development. While R.B. Bennett faced a catastrophic Depression as well as a prairie drought, his responses were seen as ineffective and incoherent.¹⁰ And yet, his accomplishments included the establishment of both the CBC and the Bank of Canada.

All the Prime Ministers have faced events to test their problem-solving skills. Is there a clear winner? Sir John A. MacDonald, as the first prime minister, is in many respects in a league of his own as the only prime minister to take office at the start of a vast national experiment that erected an east-west economic and political structure against the north-south grain of the North American Continent. Subsequent prime ministers have had to build on this framework.

However, nostalgia aside,¹¹ if one had to pick the all-round most successful Prime Minister, it is hard not to focus on Louis St. Laurent. St. Laurent falls well above the average on debt and deficit performance, above average on population and immigration growth, above average on real per capita GDP growth and with moderate inflation.

⁹ "Reservation and Disallowance," *constitutionalstudies.ca*, <https://www.constitutionalstudies.ca/ccs-term/reservation-and-disallowance/?print=print-search#:~:text=The%20last%20Act%20ever%20disallowed,1982%20left%20both%20powers%20intact>

¹⁰ John R. English, "Bennett's New Deal," *The Canadian Encyclopedia*, February 6, 2006, <https://www.thecanadianencyclopedia.ca/en/article/bennetts-new-deal>.

¹¹ Éric Grenier, "Who do Canadians think was the country's best prime minister?," *The Writ*, January 23, 2023, <https://www.thewrit.ca/p/best-pm-poll>.

Louis St. Laurent was perhaps the most fortunate of Canadian prime ministers serving during the natural resource, baby, and immigration boom of the 1950s, when economic growth seemed the natural order of things. At the same time, he still faced problems such as moderately high inflation. His era was one of high population growth and disruption as newcomers crowded into cities, and yet his era came with a high rate of per capita GDP growth and improved public finances.

Indeed, St. Laurent's tenure seems associated with a bygone golden age¹² when governments actually seemed to be able to get things done¹³ if one witnesses legacies such as the Trans-Canada highway, the Trans-Canada Gas Pipeline and the St. Lawrence Seaway Project. This era also saw the onset of federal initiatives in health and income transfer payments, including the Hospital Insurance and Diagnostics Act, the onset of Equalization and the current Old Age Security system.

He also had strong cabinet members like C.D. Howe, who were also adept at getting things done. While one might wonder how St. Laurent would have handled a Great Depression or World War, the fact remains that even St. Laurent's tenure saw challenges such as the Korean War, as well as recession and slower growth in the late 1950s. St. Laurent was not just lucky. Having all the economic and political ducks lined up in heavenly alignment cannot save a Prime Minister without the ability to recognize and then seize opportunities.

So, good luck to the 24th Prime Minister, and may the odds be ever in your favour.¹⁴ Once again, the drama begins.

¹² "Uncle Louis and a Golden Age for Canada: A Time of Prosperity at Home and Influence Abroad," *Policy Options*, June 1, 2003, <https://policyoptions.irpp.org/magazines/the-best-pms-in-the-past-50-years/uncle-louis-and-a-golden-age-for-canada-a-time-of-prosperity-at-home-and-influence-abroad/>.

¹³ Patrice Dutil, Ken Coates, Gregory P. Marchildon, David MacKenzie, "The Legacy of Louis St-Laurent: When governments got things done," *The Macdonald-Laurier Institute: Inside Policy* 323 (2021): 9-25.

¹⁴ smilecloseup, "Happy Hunger Games! And may the odds be ever in your favor," August 31, 2012, movie clip, 0:12, https://www.youtube.com/watch?v=_s7qgNMqDJl.

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