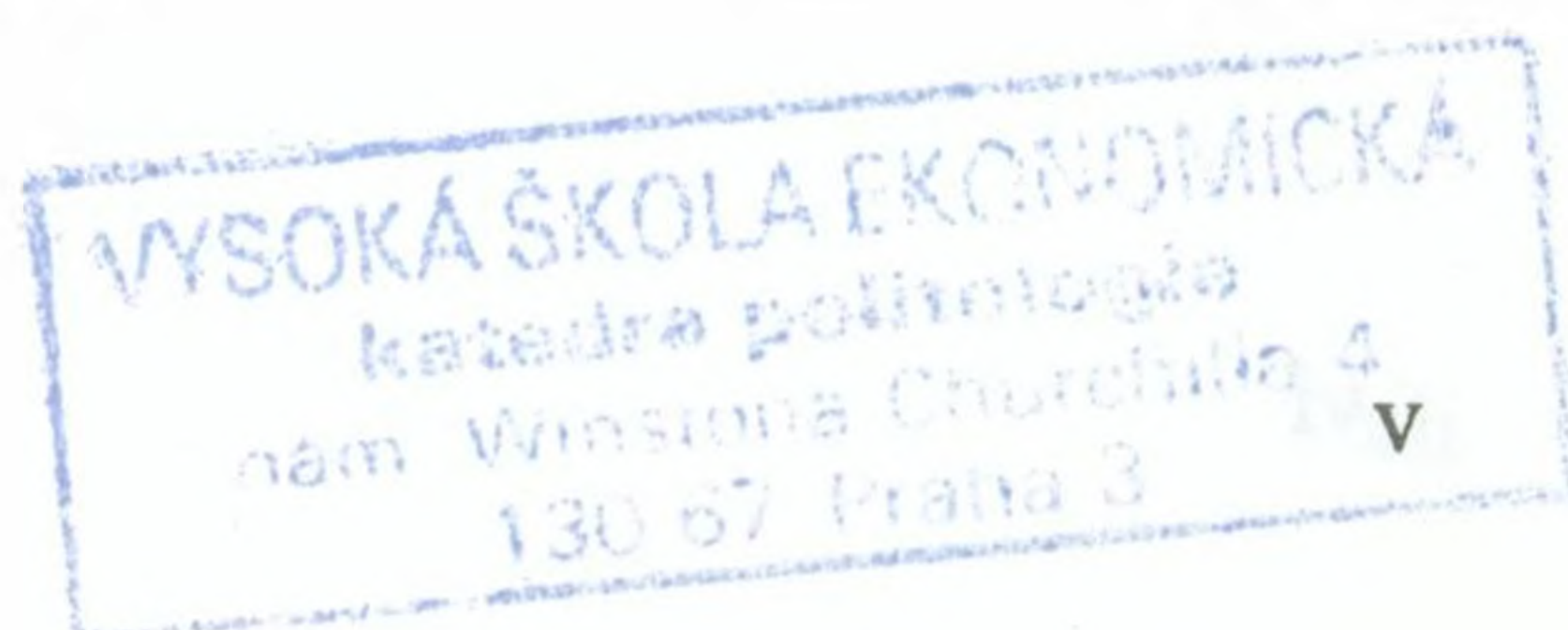


Table of Contents

<i>Preface</i>	xvii
<i>About the Authors</i>	xix
Chapter 1	
Government Spending in Canada	1-1
Government Spending Rising Faster than Incomes	1-1
Control versus Spending in the Public Sector	1-2
Spending Priorities and How They Change	1-2
Interest Payments Distort the Picture	1-4
Program Spending per Capita	1-5
Health Care, Interest, and Social Security Costs Climb	1-6
Chapter 2	
Total Government Spending in the Provinces	2-1
Sixty-one Percent of Government Spending in Ontario and Quebec	2-2
Nova Scotia Leads Government Spending	2-2
Variation in Provincial Spending per Capita	2-3
Provincial Spending versus the National Average	2-4
Chapter 3	
Expenditures by the Federal Government	3-1
Spending Distribution by Province	3-2
Common Perceptions Not Validated	3-2
<i>Quebec's Share Not Increasing</i>	3-2
<i>The Maritimes' Share Has Shrunk</i>	3-3
Provincial Distribution per Capita	3-3
Spending by Function per Capita	3-4
<i>Interest on Public Debt Is Most Variable</i>	3-4
<i>Deleting the Effect of Interest Expense</i>	3-5
Federal Taxes Compared to Federal Spending by Province	3-8
<i>The Winners and the Losers</i>	3-8



<i>Net Benefits per Capita</i>	3-9
<i>Accounting for the Deficit</i>	3-9
<i>Who Pays the Interest on the Debt</i>	3-11
<i>Some Insights on Old Issues</i>	3-12

Chapter 4

An Analysis of Provincial and Municipal Government Spending Priorities 4-1

Funding and Spending	4-1
How Spending Flows Have Changed	4-2
Leading Provincial Expenses	4-3
Alberta Is Leading Provincial Spender	4-3
Interest Expense Crowds Out Other Spending	4-4
Saskatchewan Spends Most on Debt Interest and Trade Subsidies	4-5
Changing Priorities	4-6
Overall Assessment of Provincial Priorities	4-9
A Cursory Analysis of Municipal Expenditure	4-10
Alberta Cities Top Spenders	4-11

Chapter 5

Government Spending on Interest Charges 5-1

Deficits Are Deferred Taxes	5-1
Basic Facts about Government Interest Charges	5-2
Interest Costs per Capita	5-2
Saskatchewan the Top Borrower	5-3
Ontario Residents Bear Largest Share of Federal Interest Charges	5-3
Interest Burden Grows Faster than Ability to Pay	5-4

Chapter 6

Who Benefits from Government Spending? 6-1

Benefits versus Spending	6-1
Total Government Spending Received by Income Class	6-3
Distribution of Benefits by Income Decile	6-4
Agriculture, Education, and Health Care Benefit the Wealthy	6-4

How the Pattern Is Changing with Time	6-5
Net Receipts from the Government Sector	6-6
Who Bears the Burden of the Public Debt?	6-8
Who Benefits from Government Spending	6-8
Why We Don't Do Something about the Deficit	6-9
Implications for Public Policy	6-12
 <i>Appendix A: Glossary</i>	 7-1
<i>Appendix B: Technical Methodology</i>	8-1
<i>Appendix C: Tabular Material</i>	9-1
<i>Appendix D: Funding of Each Dollar Spent by Government by Function</i>	10-1
<i>Bibliography</i>	11-1