

How Ottawa Spends: The Buck Stops Where?

edited by Katherine A. Graham. Ottawa, Carleton University Press Inc., 1989.
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How Ottawa Spends is the tenth annual review of federal government spending, taxing and national priorities produced by the staff of the School of Public Administration at Carleton University. This year's volume takes off where last year's fell flat and grapples with the present and prospective significance of the Mulroney government biggest policy initiatives - free trade, Meech Lake, taxation, regional development policy, and childcare.

The introductory essay by Katherine Graham is a lucid presentation of the main themes of the review. Her treatment of the new cabinet committee system is informative. "The Buck Stops Where?" in the review's title refers to Graham's contention that the decision-making system in the new restructured Mulroney cabinet is "incredibly cluttered, with no real focus."

A key question examined is "Are we entering a new era of Canadian federalism wherein the federal government has a new and possibly reduced role?" The self-imposed constraints imposed by free trade and Meech Lake on the Canadian economy and polity are critically examined in an excellent essay by Harvey Lithwick and Allan Maslove.

Lithwick and Maslove argue that the Meech Lake Accord will limit the federal government's ability to ensure national standards and to conduct effective economic development and macroeconomic stabilization policy. Free trade is characterized as a move to rely more on markets to drive growth and

development and less on government intervention. A concern they voice is that under Meech Lake the federal government may not retain the macroeconomic leverage necessary to contain potential instability. This is not a concern that I as a macroeconomist share.

The Conservative's proposed childcare strategy, which is currently on hold, is held up by Susan D. Phillips in her chapter as being consistent with Meech Lake. It avoids interfering with provincial jurisdiction to shape the childcare system and represents a self-imposed constraint on the use of federal spending power. Phillips dissatisfaction with the proposal comes through loud and clear.

The paradox of a government that sought to curtail tax expenditures in its first term possibly being forced to rely more on the tax system as a policy tool is noted by G. Bruce Doern in another good piece. Therein he deals specifically with tax expenditures and the of tax policy formulation process and not with tax reform more generally. Perhaps tax reform will be featured next year.

Other articles cover trade policy, ACOA, broadcasting policy, childcare, immigration, and the Canadian Job Strategy. All are well done and useful.

How Ottawa Spends is always must reading for those concerned about federal government budgeting and priorities. This year's review should be of more general appeal to all those concerned about the future of Canadian federalism.

