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Few scared by deficit bogeyman

Tories need better strategy

By: Dan Lett

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To defeat an incumbent government, the opposition needs to cultivate among voters an appetite for change.

It's not an easy thing to do. Sometimes when governments are just incompetent enough, they perform this task themselves. But other times, it takes concerted effort by opposition critics to find the small fissures in the government's veneer, and then pick at them until they become deep cracks.

In Manitoba, it appears the opposition Progressive Conservatives believe that deficit financing and growing debt are the detonators that will trigger an appetite for change.

Tory Leader Hugh McFadyen has been working overtime this week to portray the NDP, authors now of two successive deficit budgets, as poor fiscal managers. "It is socialist ideology, incompetence, or both?" McFadyen thundered in the legislature during question period on Thursday.

On the one hand, you can't fault McFadyen for trying to exploit the NDP government's biggest current headache. After a decade of balanced budgets, driven in large part by unparalleled growth in federal transfer payments and own-source revenues, the government of Premier Greg Selinger is pretty deep in the glue.

A \$500-million deficit last year, another \$500-million deficit in the current fiscal year and deficits going forward to about 2014. Selinger is in the early stages of war with public-sector unions, which have been asked to accept wage freezes. At first blush, it seems like fertile ground to cultivate discontent and an appetite for change. However, deficit financing is not the political issue it used to be.

The deficit was a seminal political issue in the early 1990s, when the federal and provincial budgets were cut to the bone to get to surplus. That was then, this is now.

After briefly trying to deny the recession existed, the federal Tories got on the stimulus-spending bandwagon in a big way in the 2009-10 fiscal year. That ramped-up spending, along with a precipitous decline in revenues, has spawned billions of dollars in federal deficits. You would think that Tory and non-Tory voters alike would punish Prime Minister Stephen Harper for this out-of-character indiscretion. You might think that, but you'd be wrong.

Opinion polls demonstrate the public is not all that concerned about deficits, for now. In many polls, we have learned that deficit or no deficit, the country is evenly split on whether the Tory government is doing a good job.

In fact, the only time respondents come down solidly on one side of the debate or the other is when it comes to spending. In the most recent poll by Nanos Research, respondents were asked if the federal government should continue spending to stimulate the economy. Nearly two-thirds indicated they wanted Ottawa to keep the spending taps wide open. In addition, 54 per cent said it was acceptable or somewhat acceptable to run a deficit; only 26 per cent said it was unacceptable or somewhat unacceptable.

Nearly all government spending is, in one way or another, stimulus spending. Specific stimulus programs have been trumpeted by governments at all levels. However, governments are a major employer and purchaser of goods and services, and when they stop spending the economy shrinks. It's simple mathematics. And any government that continues spending will likely create deficits.

This is where opposition parties are at a disadvantage. As the official opposition, you have to oppose without being whiny. On the other hand, pissants in the media demand that you're consistent in practical terms.

As for the voters, many hardcore Tories need to hear their political leaders lambaste the NDP for overspending and deficits. However, the swing voters necessary to move the party from opposition to government need to hear a Progressive Conservative leader who is concerned about cuts to front-line

McFadyen's Tories have tried to satisfy both constituencies. In question period and budget debate, allegations of irresponsible deficit financing have been intermixed with howls about cuts to front-line services.

Sometimes, the opposition is allowed to have its cake and eat it, too.

This isn't likely to be one of those times.

The Selinger government is under tremendous pressure, and there may indeed be a growing desire for change. But it's not being generated by the opposition's attack on the budget. And that makes you wonder what else the McFadyen Tories have up their sleeves to get them from where they are to the government side of the legislature.

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