We went to the provincial legislature yesterday to review the budget and prepare our analysis. Our pre-budget predictions were accurate (see the April 16th Fast Facts titled *It’s Budget Time Again: A glimmer of hope and a healthy dose of skepticism*). We found a little bit of this and that; nothing of significance to address poverty and inequality.

We were mildly encouraged by the 2.5 cent/litre gas tax increase as well as tax increases on cigarettes and luxury services. We would have liked to have seen more tax increases, especially on large corporations and the very wealthy, but we know that long-overdue move is a work in progress. We couldn’t help but observe that cumulative NDP tax cuts since 1999 will afford a $1.2 billion “saving” to Manitoba tax payers, while the amount of the deficit is $1.12 billion. Does anyone else see the possibility of a surplus here?

We did not expect business groups or the official opposition to share our perspective on raising taxes back to a more reasonable level – after all they’re responsible for the decreases in the first place, but we did hold on to some residual of hope that the media would provide more balanced coverage of the budget.

How naïve we were.

It turns out that analysing the media’s reaction to the budget is more informative than analysing the budget itself. One radio station immediately declared the 2012 Manitoba budget story to be all about tax increases. Really?

That was followed by various media interviews with ‘regular folks’ ‘concerned about the rising cost of haircuts and pedicures. Other post-budget reaction includes outrage over the gas-tax increase and the $35.00 increase for vehicle registration. While there certainly needs to be some sort of mechanism to rebate these increases back to low-income earners, these are not unreasonable increases. The job of government is to pool our collective resources to maintain public services and infrastructure. This year in particular we need to pool our resources to pay for the unanticipated costs of the 2011 flood.

It’s surprising that there hasn’t been much mention of the $250 increase in the personal income tax exemption. We would have preferred a more targeted approach to increase incomes of low income households. We agree that tax measures are needed to assist lower income earners but the cumulative effect of applying it across the board will end up being a burden to those who need the break the most. High income
In 1999. We also have one of the lowest unemployment rates in the country and some of the lowest living costs.

To suggest, as Shannon Martin does in today’s Winnipeg Free Press (page A10), that our tax rates should match Saskatchewan’s is shortsighted at best. Both Saskatchewan and Alberta have access to resource royalties that amply pad government coffers, making it possible for them to spend while keeping taxes low. Just looking at tax levels without considering incentives and rebates makes it impossible to see the net cost to tax payers. It may be Mr. Martin’s job to obfuscate the issue to suit his organization’s interests, but it’s the media’s job to shed some light on these issues, including the benefits of government spending.

In fact when all the dots are connected, not spun, the province doesn’t spend enough. There are many deficits that this budget does not discuss: the housing deficit; the EIA shelter allowance deficit; the childcare deficit; the education and job-training deficit. But when the media spins the dots instead of connecting them, the media hype ends up being all about tax increases and irresponsible spending rather than the need to increase spending to deal with our most pressing problems.

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