

**Prairie Centre Policy Institute
Commentary**

**WHERE DO WE GO FROM HERE?
June 29, 2004**

Is It Too Late For Saskatchewan?

The Prairie Centre Policy Institute was honored to have Herb Pinder, Sr. speak to our group at breakfast last week. Mr. Pinder is a prominent member of the local and national business communities. In addition to operating the family enterprise that included a chain of drug stores, he was one of the early players in the Saskatchewan oil patch and has served on the Board of Directors of many national companies. In the 1960's he served as the Minister of Industry and Commerce in Ross Thatcher's Liberal government. Needless to say, Mr. Pinder brought a lifetime of knowledge and experiences to the podium.

Mr. Pinder's message was simple. After sixty years of socialist thinking, government has become too intrusive in our lives and we have become too dependant on government. If Saskatchewan is to grow and prosper we must change the culture of our society and its negative attitude towards business.

Mr. Pinder discussed his early experiences in the Canadian oil patch. He talked about the days when the action was centered in Saskatchewan and all the big oil companies had their headquarters in Regina. He talked about Tommy Douglas and his fight with the oil industry over drilling requirements, royalty fees and other such issues and, as a result, how the industry picked up and moved to Calgary. The Saskatchewan government had become too hostile and unfriendly to deal with.

This sent a signal to the business community that Saskatchewan might not be a good place to invest. Subsequent events like the nationalization of the potash industry, the failed attempt at partnering with the private sector to establish a potato industry, and the numerous lawsuits filed against the Government have cemented that perception of us.

Mr. Pinder also talked about Tommy Douglas's penchant for crown corporations. He told us that the CCF no sooner came into power when they began getting involved in a myriad of businesses from brick making to box factories, most of which are no longer in existence. But the initiative that had the most far-reaching effect was their move into the insurance industry. When they created the Saskatchewan Government Insurance Office they forced all levels of government, school boards and other public institutions to deal with this crown. Without competition, it became reasonably easy for SGIO to make a profit and turn the surplus over to the government. This not only drove up the cost of

insurance for the public sector, it also gave the politicians access to a new pool of taxpayer's money.

This is significant because, as Mr. Pinder reminded us, Tommy Douglas had nothing to do with creating the public utilities that went on to become SaskTel, Sask Power and Sask Energy. They were brought into existence by previous administrations. So, it seems the reasons for creating crown enterprises and getting into business had more to do with political ideology than the public good.

Since that time, government has burrowed deeper and deeper into the Saskatchewan economy and created a monster that won't go away. Today, the Saskatchewan taxpayer owns all or part of over 80 business entities that for all intents and purposes can be called crown corporations. In addition, the Province provides loans to, purchases goods and services from, or regulates the activities of many others. The fact is, very few businesses can operate in this province without having to rely on a government department or crown corporation.

The monster is a bureaucracy that terrorizes, strangles and often destroys or chases away business and investment with its red tape, incompetence and self-serving manipulation. >From a public policy perspective, nothing epitomizes the problem Saskatchewan faces better than the half-baked SPUDCO debacle. Here is a situation where the government encouraged the private sector to invest by making false promises. What should have been a great opportunity turned out to be financial disaster that has ruined many lives. (Over the next few weeks, the Prairie Centre will be examining this issue to determine what policy needs to be in place to ensure this doesn't happen again.)

The monster also manifests itself in the widely held belief that health care, education and other such services the government provides are free and that everyone is entitled to them. As a society, we seem to have developed the socialist attitude that the supplying of human needs and the making of profits are not compatible. And while many other jurisdictions that once embraced this ideology have changed, here in Saskatchewan we seem to think that everyone is wrong but us. It's the society we live in.

Mr. Pinder's parting question was "where do we go from here - or is it already too late for Saskatchewan?"

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Al Evans is Executive Director of the Prairie Centre Policy Institute. "Where Do We Go From Here?" is a feature service of the Prairie Centre.