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### Government Fingers in Too Many Pies

Lyle Stewart says he wants the government to get out of the business of being in business. The problem is he can't find a way. Just as Minister of Crown Corporations Ken Cheveldayoff has to keep the crowns in public hands, Stewart's Ministry of Enterprise and Innovation must find a home for \$150 million public dollars by the next election.

This woeful tale begins with the NDP. In 2003, it decided to create Investment Saskatchewan (IS) as a subsidiary of Crown Investments Corporation to deal with government investment in private enterprises. Thus, IS inherited unenviable shares in SpudCo, Mind's Eye, and the Meadow Lake Pulp Mill. Then, in 2006, the board of IS created a private company, Victoria Park Capital, to manage its portfolio.

Incredibly, IS made a five-year multi-million dollar contract with Victoria Park Capital. The contract bound the province to provide at least \$150 million for investment purposes between Jan. 1, 2007 and Dec. 31, 2011, and no less than \$25 million each year. Since only half the population pays income taxes, that's \$50 from each one just to help companies that private investors won't. Oprah's

"Big Give" has nothing on Saskatchewan. Unfortunately, our pockets aren't as deep.

At present, IS has its fingers in 40 different companies, with investments totaling \$381.5 million. Nevertheless, some moves are pending. Stewart says it's as good a time as any to sell off its most valued asset—49 percent of shares in Sask Ferco. An investment bank has been hired to estimate the true value of the shares, which currently have a book value of \$134.7 million. Buoyed by excellent profits, the fertilizer company gave the province a dividend of \$31.6 million last year, and good returns for Mosaic, the majority shareholder.

Other ventures are harder to leave behind. In February, Stewart said he also wanted the province out of Big Sky Farms. In 2000, the province helped bankroll two hog barns near Rama and Ogema at a cost of \$15 million. By now, IS owns 62 percent of Big Sky with \$30.5 million equity in the company.

Times have never been worse for the hog industry. High input costs and an oversaturated market pushed the province's number two hog producer, Stomp Farms, to file for bankruptcy protection. As

government favorite, Big Sky Farms is, of course, the number one producer and enjoys the backing of the provincial treasury. Last year, IS committed another \$3.7 million more to Big Sky Farms—though that money has not yet gone to the company.

Even if Big Sky can stay afloat without the extra cash, the existing taxpayer tab is bad enough. The federal government recently culled ten percent of the nation's breeding swine at a cost of \$50 million. Our provincial government has further pledged \$440,000 to process the hogs so the pork will go to food banks. While this gesture is noble, it only completes an unfortunate cycle where government invested in pig barns, flooded the market, paid for sows to be culled, and then to be processed—all the time the taxpayer getting porked!

The only thing that stinks worse than pig barns is the failed legacy of government investment. Let's hope that after the next election, the Sask Party will get out of these ventures altogether. We've had enough boondoggles the last twenty years to keep us for the next hundred.

--Lee Harding, Sask. Director