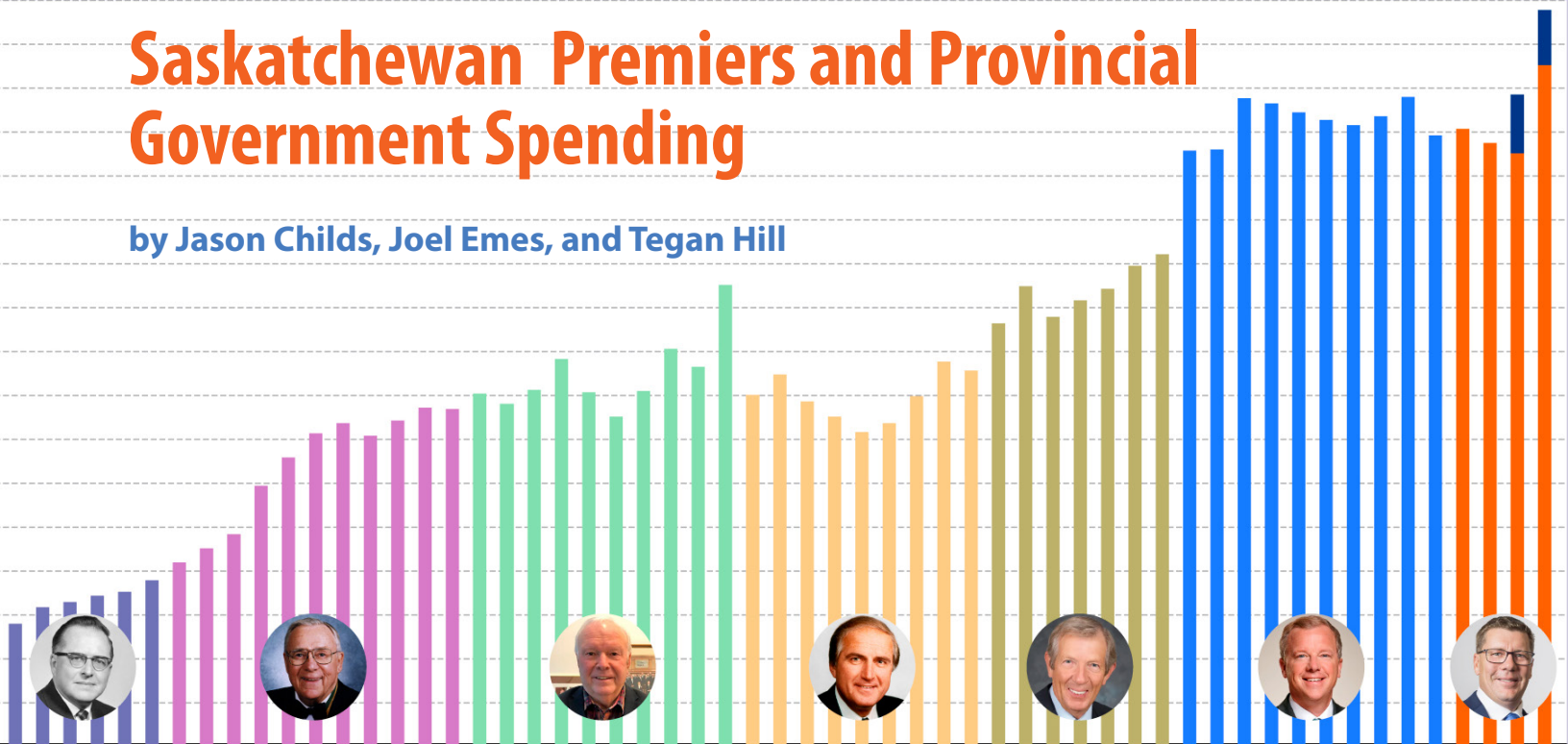


Saskatchewan Premiers and Provincial Government Spending

by Jason Childs, Joel Emes, and Tegan Hill



SUMMARY

- This bulletin reviews real per-person program spending by Saskatchewan premiers since 1965.
- Real per-person program spending increased from \$2,737 in 1965 to \$16,843 in 2021. In fact, 2021 (under Premier Scott Moe) was the highest year of per-person spending on record. Excluding COVID-related spending, per-person spending was \$15,585 that year, still the highest on record.
- The second highest year of per-person spending (\$14,904) occurred in 2020. Non-COVID-related spending was \$13,541 that year.
- Overall, Premier Allan Blakeney recorded the highest average annual growth in per-

- person spending at 7.0 percent. Ross Thatcher recorded the second highest average annual growth of per-person spending at 6.5 percent, though his full tenure is not included due to data limitations. Scott Moe recorded the third highest increase in per-person spending at 5.0 percent.
- All other premiers recorded average annual increases in per-person spending below 5.0 percent. On average, Lorne Calvert increased per-person spending by 4.1 percent, Grant Devine by 3.6 percent, and Brad Wall by 2.4 percent.
- Premier Roy Romanow recorded an average annual decline in per-person spending of 1.8 percent.

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Introduction

This bulletin reviews the spending records of Saskatchewan governments segregated by the different premiers.¹ Specifically, it examines the Saskatchewan provincial government's per-person (inflation-adjusted) program spending since 1965, divided into periods that coincide with the different premiers. The intention is to provide a historical analysis of this key measure of government fiscal policy.

Methodology

This bulletin focuses on program spending by premiers and excludes interest costs on government debt. If interest costs were included, it would penalize or reward premiers based on the debt accumulated prior to their tenure, and/or prevailing interest rates, both of which are out of the provincial government's immediate control.²

Data covering Saskatchewan's provincial program spending are drawn from Finances of the Nation government revenue and expenditure data (REAL),³ which in turn draws on three Statistics Canada sources: *Public Finance and Historical Data* (PFHD) for 1965 to 1992; *Federal, Provincial and Territorial General Government Revenue and Expenditure* (FPRTE) for 1989

through 2009; and *Canadian Government Finance Statistics* (CGFS) covering from 2009 until the present. Our analysis includes data up to the 2021-22 fiscal year. Accounting conventions are comparable through time within each period, but there are differences among the three periods. The REAL dataset's creator has adjusted the data for compatibility and continuity.⁴

The study uses data based on provincial government fiscal years, which begin on April 1st and end on March 31st. Throughout the analysis we refer to government fiscal years by the first year only. Thus, fiscal year 2021-22, for instance, is simply referred to as 2021. We do this both for simplicity and because the majority of the government's fiscal year occurs in the first year referred to.

To control for inflation the data are converted into 2021 dollars using the annual average national consumer price index taken from Statistics Canada's Table 18-10-0004-01. This ensures spending in the 1960s can be compared to spending in 2021. For the remainder of this bulletin, all spending can be assumed to be inflation adjusted.

It's important to adjust for population as it can influence aggregate program spending. Indeed, the same amount of increased spending can look different depending on whether a province has experienced strong, modest, or negative population growth (i.e., a decline in the population). This study adjusts provincial program spending by population to calculate per-person spending using Statistics Canada's Table 17-10-0009-01 for population data.

¹ The foundation for this analysis is based on *Prime Ministers and Government Spending: A Retrospective* (Clemens and Palacios, 2017).

² Both the level of debt accumulated from previous governments and prevailing interest rates influenced debt-servicing costs. However, that is not to say that the policies of the current government do not influence those costs. Deficits add to near-term debt accumulation, and deficit-financed spending can influence the risk premium on government debt, both of which can have an impact on interest costs.

³ See <https://financesofthenation.ca/data/>.

⁴ Note that discrepancies are generally less than five percent (and are often much smaller) at the points where the datasets overlap. For more details see the User Guide to the Finances of the Nation REAL dataset at <https://financesofthenation.ca/real-fedprov/>.

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Table 1: Saskatchewan's Premiers and Budget Years over the Period of Analysis

Premier	Party	Budget Years	Number of Budgets
Ross Thatcher	Liberal	1965-1970	6
Allan Blakeney	NDP	1971-1981	11
Grant Devine	Conservative	1982-1991	10
Roy Romanow	NDP	1992-2000	9
Lorne Calvert	NDP	2001-2007	7
Brad Wall	Saskatchewan Party	2008-2017	10
Scott Moe	Saskatchewan Party	2018-2021	4

Note: Although Ross Thatcher served as premier for eight years (1964-1971), there are only seven years of available data during his tenure (1965-1971).

Details on the allocation of specific budgets:

The 1971 budget was allocated to Blakeney as he served as Premier for a majority of the fiscal year.

The 1991 budget was allocated to Devine as he served as Premier for roughly half of the fiscal year and presented the initial budget.

The 2007 budget was allocated to Calvert as he served as Premier for more than half the fiscal year.

Scott Moe has presented five budgets, however, the period of analysis used in this study ends in fiscal year 2021-22.

Sources: Provincial Archives of Saskatchewan (2022).

Saskatchewan has had relatively stable politics since 1965, with premiers generally serving more than one term in office. There have only been 7 premiers in Saskatchewan over that period. Table 1 gives the attribution of budgets to premiers for each year.

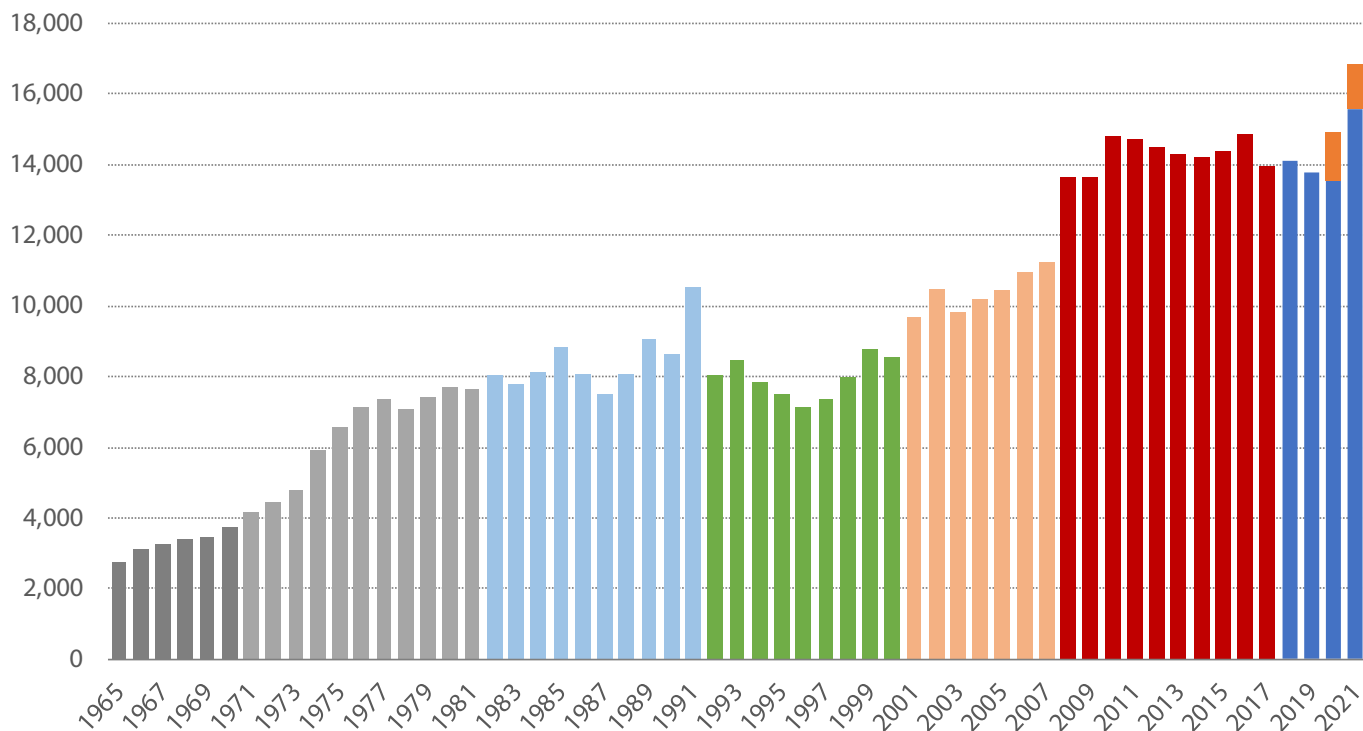
The bulletin used two factors in deciding which premier was allocated a specific budget year. First, we considered the portion of the fiscal year in which that premier served. If the fiscal year was evenly split between premiers, that year's spending was attributed to the premier that introduced the original budget that set the foundation for spending that year. For example,

Lorne Calvert was premier for more than half of the 2007 fiscal year before Brad Wall was elected as premier on November 21, 2007. For that reason, and because Lorne Calvert delivered the original budget, that year's spending was assigned to Premier Calvert.

It is important to note that the business cycle plays a role in provincial spending. However, the focus of this bulletin is not to provide context to individual years of spending or comment on whether spending changes are negative or positive. Rather, it specifically and narrowly fo-

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Figure 1: Inflation-Adjusted (\$2021) per Person Program Spending in Saskatchewan, 1965-2021



Notes:

- COVID-related spending is indicated in orange for 2020 and 2021.
- The one-time jump in 1991 was mainly driven by a temporary increase in spending for hospital care, post-secondary education, resource conservation and industrial development that year. Amounts for hospital care and post-secondary education appear to be driven by debt forgiveness (for more detail, see Statistics Canada Table 10-10-0064-01).

Sources: Finances of the Nation, 2022; Statistics Canada, Table 17-10-0009-01; Statistics Canada, Table 18-10-0004-01.

cuses on providing an overview of per-person spending over time by premier.⁵

Per person spending in Saskatchewan: 1965 to 2021

Figure 1 shows real per-person (inflation-adjusted) program spending beginning in 1965. There are a number of interesting points worth

⁵ For those interested in this normative issue, see Tanzi (2011) and Di Matteo (2013).

noting.⁶ Over the period, per-person spend-

⁶ For instance, as per the Finances of the Nation (FON) user guide, “other efforts exist to provide data on government finances over time, e.g., Kneebone and Wilkins (2016), Milligan (2017), and Department of Finance (2019). Compared to these efforts, the FON REAL data project strives to be more comparable over time and across jurisdictions by relying on standardized fiscal data released by Statistics Canada rather than the national accounts or public accounts sources used in other studies.” In other words, the data cited in this bulletin may not per-

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ing rose from a low of \$2,737 in 1965 to a high of \$16,843 in 2021. While spending in 2021 includes \$1,258 in COVID-related spending per person, non-COVID-related per-person spending in 2021 is still larger than that in any other year at \$15,585.

It's useful to take a closer look at the evolution of per-person spending over time. Per-person spending rose every year during Ross Thatcher's tenure, climbing from \$2,737 in 1965 to \$3,736 in 1970—an increase of 36.5 percent over six years. The trend for increased spending continued under Allan Blakeney, with just two years as exceptions (1978 and 1981). Including these two years of decline, per-person spending rose at an average rate of 7.0% per year during Blakeney's time in office.⁷ As a result, when Blakeney was premier, spending more than doubled from \$3,736 in 1970 to \$7,669 in 1981.

Under Premier Grant Devine per-person spending increased by an annual average of 3.6 percent. However, this average hides significant annual fluctuations. During this period, there were both large reductions in per-person spending—the largest in 1986 when per person spending fell by 8.6 percent—and rapid growth, culminating in a 21.9 percent growth in per-person spending in 1991, the final year attributed to Premier Devine. The size of the increase merits some explanation. The 21.9 percent jump appears to be driven by a one-time increase in

spending for hospital care, post-secondary education, resource conservation, and industrial development (amounts for hospital care and post-secondary education appear to be driven by debt forgiveness).⁸ Overall, the cumulative effect of these oscillations was an increase in per-person spending from \$7,669 in 1981 to \$10,527 in 1991.

Two periods define Roy Romanow's time as premier. The first, from 1992 to 1996, was a period of spending reduction.⁹ In his first budget year, per-person program spending fell by nearly a quarter (23.9 percent)—which more than reversed the 1991 21.9 percent one-time jump in per-person spending. Per-person spending continued a general decline, falling from \$10,527 in 1991 to \$7,148 in 1996. The second Romanow period, from 1997 to 2000, saw a general increase in spending. Despite this increase, per-person spending was still 18.8 percent lower when Romanow left office (\$8,550) than the year before he became premier (\$10,527).

Lorne Calvert followed Roy Romanow as premier. Premier Calvert reversed the trend of decreased per-person spending; he increased per person spending by an average of 4.1 percent per year, including a jump of 13.0 percent in his first budget. Calvert's time in office saw spending rise from \$8,550 to \$11,234, a growth rate of 31.4 percent.

fectly align with other efforts to compile government spending over time.

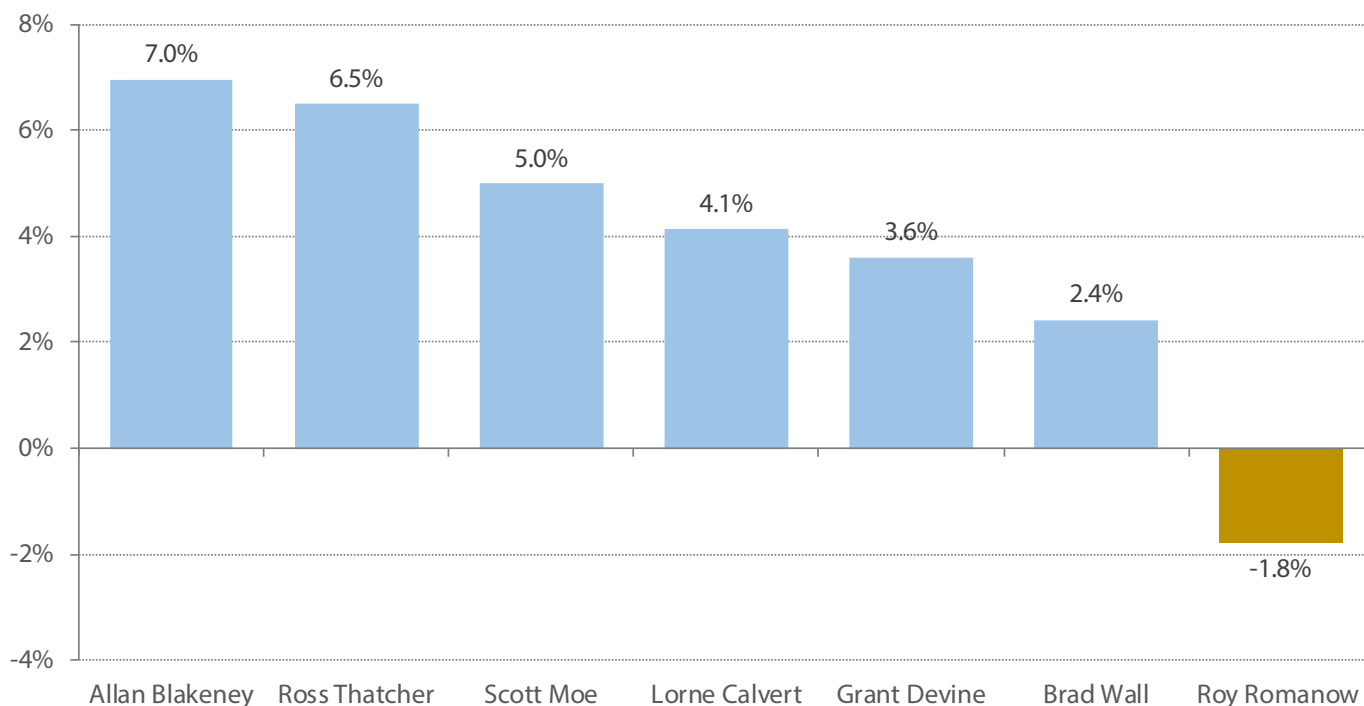
⁷ This bulletin reports the simple average of the annual percentage change in program spending rather than the more complex constant growth rate. Despite the sensitivity of the simple average to outliers (such as Brad Wall's first year of spending), there is little difference between the two averages in the data set.

⁸ For more detail, see Statistics Canada Table 10-10-0064-01.

⁹ This was part of a period of austerity during which spending was cut to address chronic deficits and mounting debt service costs. In fact, Romanow helped usher in an era of spending reform across Canada and across political parties. For a thorough discussion of this period, see Clemens et al. (2017).

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Figure 2: Ranking of Premiers by Average Annual Change in Per Person Spending, Inflation-Adjusted (\$2021)



Sources: Finances of the Nation, 2022; Statistics Canada, Table 17-10-0009-01; Statistics Canada, Table 18-10-0004-01.

In 2008, Brad Wall's tenure as premier began. In that year alone, per-person spending rose to \$13,612, an increase of 21.2 percent in a single year.¹⁰ Despite five years in which per person spending fell, overall, per-person spending grew by an average of 2.4 percent annually while Brad Wall was in office, and stood at \$13,954 in his final year. This amounts to a total

¹⁰ This is the third largest annual increase on record. The second largest annual increase in per-person spending occurred under Grant Devine in 1991 (21.9 percent); the largest increase in provincial per-person spending was under Allan Blakeney with an increase of 23.5 percent in 1974.

increase in per person spending of 24.2 percent over 10 years.

Per-person spending increased by a total of 20.7 percent in the Scott Moe period. In 2020, per-person spending reached \$14,904—higher than in any previous year. For reference, non-COVID-related spending was \$13,541 that year. In 2021, per-person reached a new high of \$16,843. Excluding COVID-related spending, per-person spending in 2021 (\$15,585) was still the highest on record by far. Indeed, if COVID-related spending is eliminated from the calculation, the overall increase in per-person program spending under Scott Moe is still significant at 11.7 percent.

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Ranking premiers on changes in inflation-adjusted per-person spending

This section provides a ranking of premiers by their average annual change in per-person spending during their time in office. Figure 2 shows each of the seven premiers and the average annual change in spending that occurred under their leadership; from the last budget of the premier that preceded them until their last budget year.¹¹

As figure 2 shows, the highest average annual rate of growth in per-person spending (7.0 percent) occurred during the Allan Blakeney tenure when per-person spending more than doubled. Behind Allan Blakeney, Ross Thatcher had the second highest average annual increase in per-person spending at 6.5 percent. However, as noted, that period does not include Ross Thatcher's full tenure due to data limitations.

Scott Moe ranks third in per-person spending with an average annual increase of 5.0 percent. This rate of increase is inflated by provincial spending in response to the COVID-19 pandemic, an event for which there is no parallel in the data set. If COVID-19 spending is excluded, Moe's record is a more modest increase of 3.0 percent per year, which would have him ranked fifth rather than third.¹²

All other premiers recorded annual increases in per-person spending below 5.0 percent. On average, Lorne Calvert increased per-person spending by 4.1 percent, Grant Devine by 3.6 percent, and Brad Wall by 2.4 percent. Finally,

Roy Romanow decreased per-person spending by an annual average of 1.8 percent.

Conclusion

Per-person spending adjusted for inflation and excluding interest costs is an important measure of a government's fiscal policies, both within a specific year and over time. It, combined with overall spending as a share of the economy (GDP), are the two key measures by which to assess and understand government fiscal policy. Unfortunately, per-person inflation-adjusted spending is often neglected because it is not as easily accessible as the alternative measure, government spending as a share of GDP. This bulletin corrects that deficiency for Saskatchewan and provides a historical analysis of per-person spending by premier going back to the mid 1960s.

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¹¹ As the data begins in 1965, this serves as the base year for the growth rate attributed to Ross Thatcher.

¹² Notably, excluding COVID-related spending, per-person spending fell for two of the four years under Scott Moe's premiership.

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