

FOR IMMEDIATE RELEASE

Federal Proposal for a Securities Commission

“The federal proposal is an invasion of provincial jurisdiction over property and civil rights”

Québec, May 26, 2010 – The Minister of Finance of Québec, Raymond Bachand, reacted vigorously today to the tabling of a draft bill by Minister Jim Flaherty concerning the creation of a federal securities commission in Canada. “Through its stubborn refusal to respect provincial jurisdiction over property and civil rights, the federal government is dividing the country. That is contrary to the principles of federalism, which is based on mutual respect of jurisdictions. The focus must be on cooperation among the provinces and not on a system controlled by the federal government,” Minister Bachand pointed out.

He added: “Our position is clear: we are not against a pan-Canadian system, but we do oppose a centralized system. The existing regulatory system is the result of unprecedented cooperation among the provinces and territories, and it works very well. Why then this frenzy to dismantle what we already have in place and is recognized internationally as one of the best systems for protecting investors?”

“Even Mr. Flaherty has acknowledged this in a news release issued this morning, and I quote: “As Canada’s performance during the global financial crisis demonstrated, our financial regulatory regime is a sound model for other countries.” Logic would therefore demand that the federal government support the existing system. If the existing model works effectively, why change it? Is it necessary to recall yet again that the OECD ranks Canada second in the world for the quality of securities oversight, while the World Bank ranks Canada fifth for the quality of investor protection, ahead even of the United States?”

The Minister of Finance noted that a coalition consisting of numerous members of the business community supports the position of the Québec government.

“We will continue to vigorously oppose this plan that is without legal, administrative or financial basis,” Québec’s Minister of Finance concluded.

It should be noted that the Québec government has asked the Québec Court of Appeal to rule on the constitutionality of the federal proposal. The Alberta government has initiated similar proceedings.

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Source: Catherine Poulin
Press Relations Officer
Office of the Minister of Finance
and Minister responsible for the Montréal region
418 643-5270
514 873-5363