



## Sole securities regulator would revive economy

Written by Heather Douglas, President & CEO of the Calgary Chamber of Commerce  
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Pretend for a minute the current global recession is over. Canada has gathered the wisest, most intelligent and prudent people to conduct a postmortem on the stock market collapse. Their mandate is to discover why ordinary investors lost so much of the value of their retirement savings, the reason many businesses had little spare cash to grow their operations, and the role, if any, the plethora of securities regulators played in the debacle.

This autopsy report would assuredly place most of the blame for the financial crash on international events, beyond Canada's control. It would probably also note the shock therapies of cash bailouts and deficit spending did little to restore the public's confidence in the stock markets. If they are particularly astute, perhaps the authors would point fingers at this country's 13 provincial and territorial securities regulators, which were unable to protect large and small investors from significant financial losses and were viewed as an impediment to Canada's ability to attract international investment.

But wait. Didn't the federal government already convene a Wise Persons' Committee in December 2003, the Crawford Panel in 2006, and the Expert Panel on Securities Regulation (chaired by Tom Hockin) in 2009, urging the federal and provincial governments to collaborate and establish a single securities regulator in Canada? And didn't the various jurisdictions rise up and vigorously defend their complex reams of red tape as proof investors had nothing to worry about?

Fortunately, the federal government is now convinced. In his recent budget, Jim Flaherty, the federal finance minister, announced his intention to establish a regulatory system that respects constitutional jurisdiction, regional interests and expertise.

The Calgary Chamber of Commerce has always defended the collective wisdom of the successive Wise Persons' recommendations. And we continue to support the creation of a single securities regulator to provide the clear checks and balances necessary to protect people's money.

The Chamber likes the idea of the regulator locating its headquarters in Calgary. We also favour a vice chair who knows and understands the challenges of exploration, production, as well as environmental and export issues of Western Canada's natural resources (oil, gas, coal, and minerals).

Many of our distinguished, retired members experienced the Great Depression. They remember the government having to provide relief to one in every five Canadians to help them survive. During the 1930s, the Chamber worked hard for Calgary-area small business owners, farmers, young people, and the unemployed who bore the brunt of that downturn. Some retirees were so severely seared by the experience they still pay cash for everything they buy, including homes, cars, education, vacations and groceries.



Since then, our member companies continued to express a great deal of frustration with the multiple regulators' insufficient enforcement, lack of technical expertise, conflicting regulations, and high costs to raise money on Canada's multiple stock markets.

The Chamber calls on the provincial government still opposed to a sole regulator to reconsider their stance. Our startup member companies need capital to take their innovative goods and services to the marketplace. Our profitable businesses will be choked if they continue to waste investor money complying with conflicting legislative demands.

Here's what the Chamber suggests will happen by appointing a single securities regulator:

- Immediately enhance Canada's excellent reputation for prudent fiscal management and attract global investment capital.
- Enable critical and timely decisions with co-ordinated actions to rebuild investor and public confidence.
- Simplify regulatory compliance and save fees when member companies and all regulated entities no longer operate in as many as 13 jurisdictions.
- Use sound policy-making to ensure the needs of the jurisdictions are integrated into a cohesive and responsive set of securities regulations.

If the Wise Persons' prescient post-mortem had been implemented, perhaps Canadian investors would have been better protected, companies would have had easier access to money and our capital markets would be rated as among the best in the world.

Surely that would go a long way in contributing to Canada's long-term economic growth.

Any post-mortems on the 2009 global recession will have to focus on economics, the environment, social policy, and the various shock therapies governments used to try to restart the economy. Whatever their conclusions, there will be a consensus the toughest challenge was to rebuild the public's faith in the capital markets.

Heather Douglas is President and CEO of the Calgary Chamber of Commerce. She thanks the many *Calgary Herald* readers for their cards, flowers and prayers during her recent recovery from spinal surgery.