



## **Council of the Federation reiterates its confidence in the economy and the financial system of Canada**

**MONTRÉAL, October 20, 2008** - Premiers understand that Canadians are concerned over the impact of the current financial crisis, and pledge their full support to work with the federal government to help address current challenges. Premiers have confidence in the capacity of Canada to deal with the current situation. Canada's economic fundamentals are sound. Our financial sector, banks and credit unions are well capitalized and well regulated.

Premiers met today in Montreal to enhance and coordinate their actions to limit the impacts of the slowdown of the U.S. economy and to minimize the effect on Canada of the current turbulence in world capital markets.

During the meeting of the Council of the Federation, Premiers agreed to the following seven actions:

- 1) Maintaining a prudent and responsible approach to the management of public finances.
- 2) Accelerating investments in the repair and development of public infrastructure and further increase our efforts in innovation and skills development. These investments will further enhance productivity and improve competitiveness.
- 3) Intensifying the work of the Council of the Federation to ensure full labour mobility, as agreed previously before April 1, 2009.
- 4) Eliminating trade barriers between provinces and territories.
- 5) Expanding trade into new markets. Priorizing and promoting the opening of a new economic relationship with Europe, Asia and other markets. To this end, Premiers offer to collaborate fully with the federal government to conclude a comprehensive and ambitious transatlantic accord, a new-generation agreement between Canada and the European Union covering areas including education, research, environment, agriculture, fisheries, and culture. The Council of the Federation mission to China in November also reflects the desire of Premiers to open new markets in China for Canadian businesses.
- 6) Directing provincial and territorial ministers to work together with their federal counterparts to prepare for the First Ministers' Meeting. Premiers asked that this conference be held as soon as possible and noted the importance of

governments concerting their efforts so that it is as productive as possible for all Canadians.

- 7) Premiers also welcomed the interventions of the Bank of Canada to maintain liquidity on the Canadian markets. Premiers ask the federal government to remain vigilant, to ensure the competitive position of Canadian banks. Premiers will ensure the continued strength of credit unions across Canada.

These actions will support employment, economic activity and increased productivity in Canada as a whole and position our economy to benefit from the economic recovery that will follow the present period.

The Council of the Federation supports the initiative of the European Union and the United States to convene a G8, International Monetary Fund and World Bank Summit, to review the functioning of international financial institutions. They encouraged the federal government to participate fully in this international effort.

“Canadians are worried about the world economic situation. The Council of the Federation is mobilized to answer to these concerns. We are at work, and we offer our full collaboration to the federal government to act as a team for the good of all Canadians,” declared Jean Charest, Chair of the Council of the Federation and Premier of Québec.

“We positively welcome the action plan the federal government announced on October 15. All governments must work together,” concluded Brad Wall, Premier of Saskatchewan and Vice Chair of the Council of the Federation.

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