

# MORTGAGEBROKERS OTTAWA

## Finally, Canada's financial system gets some respect

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While Canada's ability to sidestep the banking crisis has earned a slow drip of respect from the rest of world over the past year and half, it turned into a flood over the weekend.

On Monday, the [most e-mailed story](#) on the entire New York Times website was an economist advocating that the United States emulate Canada's financial regulatory regime. It helps that the economist/columnist was Paul Krugman, Nobel prize winner and one of the most ardent critics of the way the U.S. government bailed out its big banks.

Mr. Krugman concludes that the U.S. will likely do very little to fix its banking system but "it won't be because we don't know what to do: we've got a clear example of how to keep banking safe sitting right next door."

He writes that Canada was better at protecting consumers from predatory lending and that may, along with our supposedly more conservative nature, be a big contributor to our financial stability.

In the *Financial Times*, Chrystia Freeland, the paper's U.S. managing editor, [hit on some of the same points](#) as Mr. Krugman including repeating the commonly held assumption that we are too collectively dull as a nation to even create a bubble worth bursting.

Ms. Freeland, a Canadian, does add more depth than Mr. Krugman and actually talks to many of the leaders of Canada's financial system. She runs through several of the possible reasons for our good fortune: a more prudent culture, better rules, regulators that talk to each other and a cozy, conservative mortgage market. All of these topics have been covered extensively by reporters like John Greenwood, Paul Vieira and Theresa Tedesco in the *Financial Post*, but it's nice to see two other prominent papers taking notice.  
*Grant Ellis, associate editor, Financial Post*