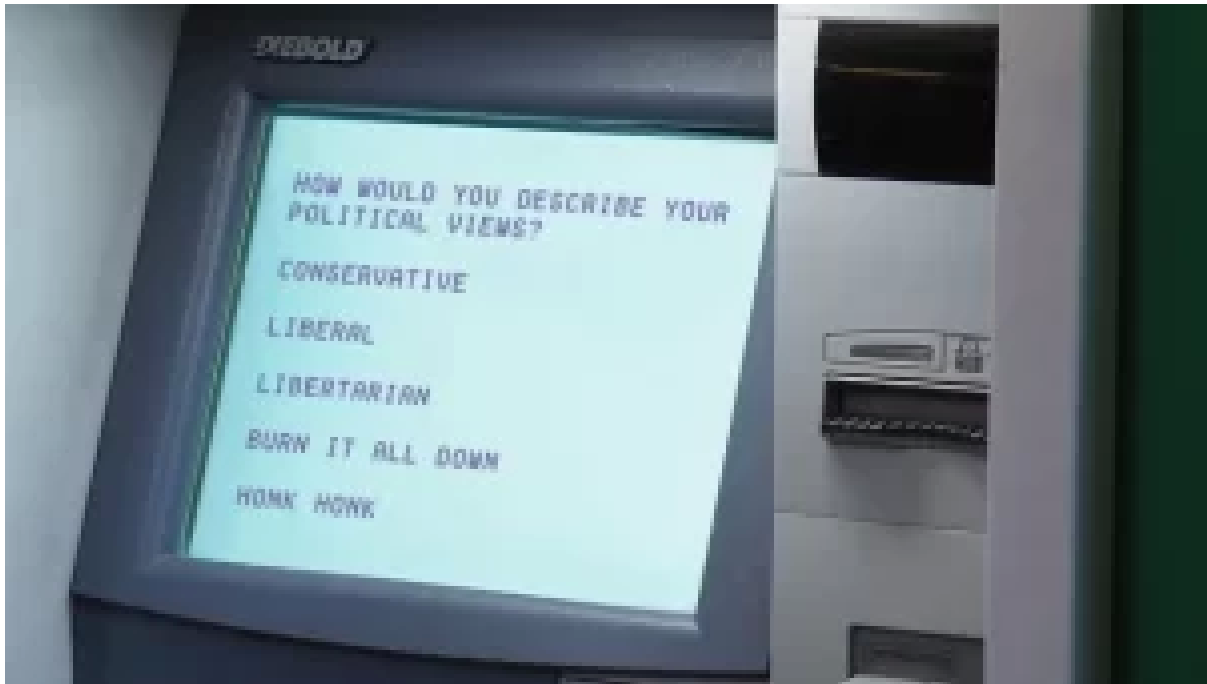


Government has no business in the bank accounts of the nation



by Conrad Black

The imposition of sanctions on Russia is being cited as an excuse for another massive assault on the remaining tatters of the privacy of the people of the entire politically organized world. Officially, we are all urged to acquiesce to public revelations of every conceivable connection we may have to assets of any kind that may be connected to Russian oligarchs, but this is the pretext for a thickening of the gigantic cloud of self-righteous officious smugness that has turned routine banking into the financial equivalent of compulsively frequent colonoscopies. In fact, the Russians have little to do with the insatiable ambition of all governments to intrude into our personal lives in ways that governments have no right to do. No reputable authority can contend that what a bank is required to learn about our financial transactions is required for governments to discharge their basic duties to assure a

well-running civil society.

For these purposes, we can safely discard the fact that the sanctions against Russia are a farce, pseudo-virtuous posturing as a substitute for giving the Ukrainians what they need to throw the Russian army and air force out of Ukraine, and the sanctions on designated friends of the Russian regime are, in terms of due process, an outrage. We have no business seizing the property of foreigners unless some burden of proof has been met that they have committed offences that would be subject to such penalties in the country making the seizure, and that these standards are equivalent to our own. China, India, South Africa, Brazil and many other countries, including Israel, are not co-operating with the anti-Russian sanctions, and western Europe hasn't stopped purchasing Russian natural gas, which makes a sieve out of the sanctions. The Russians are already pocketing the profits from their own credit cards that immediately replaced the sanctioners' western cards, and the ruble has fully rebounded from its dramatic early erosion against the dollar.

The immediate problem is that NATO recognizes the Russian invasion of Ukraine is illegal and potentially threatening to it and something it must oppose, having begun by resignedly assuming the Russians would win within five days. But NATO wants to oppose Russia without offending Russia, so it is not really enabling Ukraine to protect its own airspace as this might, in the word of the stumblebum Pentagon spokesman John Kirby, be "escalatory." The result has been anti-Russian rhetoric, hollow gestures of economic war and valuable assistance to the Ukrainian army, but nothing that will enable Ukraine to prevent the Russians from continuing to reduce civilian-populated areas of Ukraine to rubble. In its aversion to addressing the issue with integrity, the western leadership purports to be resisting those who are anxious to plunge into ground combat with Russia, although there are no such people, and U.S. President Joe Biden tediously recites that he is

defending "every square inch of NATO territory," although, since none of it is under threat, he might as well be shaking his fist at the Kremlin like King Lear and announcing that he will defend every square inch of Paraguay and Sri Lanka.

A byproduct of all the commotion about Ukraine has been embraced by the international fraternity of governments and regulators to wave the incense pot around the endlessly repeated desirability of unlimited "transparency." Transparency unto itself has no merit whatsoever. It is no one else's rightful business what individuals or corporations do privately unless they are violating valid statutes or regulations. What we need is a fiscal equivalent of former prime minister Pierre Trudeau's famous statement that, "There's no place for the state in the bedrooms of the nation." Nor is there any place for it in the wallets or bank accounts of the nation, apart from what is needed to verify justifiable tax collection. Governments, much less anyone in the world with access to the internet, have no right to know exactly what any Canadian owns. As everyone who occasionally has a banking transaction of \$50,000 or more is aware, our banks are required to discover the exact purposes of such transactions under the Know Your Client rules. It has nothing to do with knowing the client and is rather the conscription of banking personnel to be auxiliary tax auditors and no-fault, all-purpose snoops and spies for governments that pretend to be fighting international crime but are in fact just invading our privacy for the fun of it.

Transparency in its present role began as a reasonable request from shareholders in public companies to know more about the operations of these companies and particularly matters in which senior executives had a financial interest. As so often happens, a legitimate public ambition swiftly became a regulatory Frankenstein's monster, which now demands that everyone and every company open their financial kimonos to the world. As usual, most of our somnolent media have fallen in

with this outrage. It is one of those many government initiatives that has taken on an apparently irresistible momentum, but which, if examined, is illegitimate, absurd and offensive. My bank's private wealth manager replies to my occasional questions with Job-like patience and exquisite courtesy that that information is required because I am a legislator, a member of the British House of Lords. There is no reason for legislators to be subjected to closer scrutiny than anyone else and in my case, I have not been a very active peer for many years (though that may change soon). There's nothing even slightly controversial about any financial activity of mine, but lurid official curiosity about it is annoying.

This attempt to asphyxiate financial privacy should be resisted and our legislators should understand that it offends the public whom they serve. Canada should go even farther and take the lead in rolling back this invasive official mania that afflicts us. Many other countries would soon emulate us. We should not seize the property in Canada of any foreigner unless the applying jurisdiction can demonstrate probable cause that under Canadian laws the seizure would be upheld. Criminals should be prosecuted in the place of the offence, not subjected to foreign asset seizures without due process. We should not be bothered with money laundering unless the launderers are convicted of crimes that produced the allegedly laundered proceeds by judicial criteria equal to Canadian standards of the protection of the rights of accused people. We should have no extradition treaties with countries that do not meet these standards, including the United States, which, with its over 95 per cent conviction rate in federal prosecutions, does not operate a justice system but a conveyor belt to its corrupt prison system. The Ontario Securities Commission is one of the most abusive and incompetent public institutions in this country and it and the other securities commissions should be limited to the approval of public financial offerings and, where appropriate, recommendations to

Crown prosecutors where fraud or oppression of legitimate shareholder interests' are reasonably suspected. The Roman Emperor Vespasian invented the paid lavatory and when criticized for this supposed indignity, correctly replied that, "Money has no smell" (in France, they are still called "vespasiennes"). If we accompanied these measures with increased incentivization in our tax system, Canada would become the most popular place in the world for investment and savings. The resulting prosperity would put the fad of obsessive transparency out of its, and our, misery.

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