

Brief to the Finance Committee from a private Canadian citizen concerning
Bill C 31, specifically to the implementation of the FATCA
Intergovernmental Agreement between Canada and the United States

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Dear Finance Committee:

How far will the Canadian government go in appeasing our banks while deceiving the Canadian people?

First of all, our government has stated that without an Intergovernmental Agreement on FATCA, Canadian banks would have to report directly to the IRS. This is a flagrant deception as Canadian law expressly forbids this without an IGA.

Second, by making the IGA into law, the Canadian government has eliminated the protections of Canada's Privacy Act and PIPEDA for all Canadians whose information has been turned over to the IRS. This includes Canadians whose private financial information has been forwarded in error. Furthermore, in the absence of any privacy guarantees by the US government, the Canadian government is willing to risk being in contravention of its own laws should the US government use this information for any purpose other than that for which it's intended. If the Canadian government cannot safeguard our information once they've handed it over to the US, they shouldn't be handing it over. The Canadian government is making a mockery of our privacy laws in its effort to appease Canadian banks.

Thirdly, by creating a 'carve-out' in the IGA where certain registered saving accounts are exempt from FATCA reporting, the Canadian government has appeased our banks by encouraging US persons to continue making these investments. However, with the Canadian government neglecting to have these investments made exempt from US taxation under the Canada-US Tax Treaty, the Canadian government has in fact set Canadians up for future tax liabilities with the US government. One has to wonder why the Canadian government views these as such highly fought concessions when the US can treat gains from these investments as a part of its future revenue stream.

Fourthly, the Canadian government through its expressed use of the terms "dual citizens", "Americans in Canada", and the like have set about on a campaign to marginalize a group of Canadians whom the US has deemed to be US persons. This would seem to be in an effort to aid Canadian banks in 'inoculating' themselves against these Canadians, and if continued will have the effect of swaying public opinion against this group of people and in favour of the banks.

Last of all, the current Canadian government in its short-sightedness has chosen to capitulate to the threat of economic sanctions against our banks instead of taking the view that once appeased, a government that behaves as such will have nothing to deter it from expanding its mandate in the future with further economic sanctions. The Canadian government is willing to sacrifice Canada's sovereignty and the economic security of a subset of Canadian people rather than stand up for the rights of ALL Canadians.

No government should treat any of its citizens as second-class, regardless of the price it fears it might pay in not doing so.

"First they came for the Socialists, and I did not speak out-- Because I was not a Socialist.

Then they came for the Trade Unionists, and I did not speak out-- Because I was not a Trade Unionist.

Then they came for the Jews, and I did not speak out-- Because I was not a Jew.

Then they came for me--and there was no one left to speak for me."

- Martin Niemöller

I am a Canadian resident, and although born in the US, I am a Canadian at birth through my Canadian born mother. I am first and foremost a Canadian. Thank you for your consideration.

Yours truly,

Suzanne Herman