One such plan proposed by the federal banking agencies would seek to expand provisions included in the Bank Secrecy Act of 1970, called ''Know Your Customer.'' Under current law, all cash transactions over $10,000, or over $5,000 if ''suspicious'' activity is suspected, must be reported to the appropriate banking regulator. In addition, the banks must maintain a record of basic information about each customer (Social Security Number, birth date, occupation, and home and work telephone numbers) in which to identify and track each customer's banking activity. These regulations are designed to attack money laundering.

But, alas, this is not enough. The regulators want your bank to have in its database even more intimate and personal information about every banking customer. They want your bank to become ''private detective agencies''—creating a profile on each and every customer. In your ''new'' profile will be information on where you obtained your funds, what the bank considers to be normal and expected transactions for you, and a mechanism by which the banks monitor activity for transactions that differ from this ''profile''. Any activity that falls outside the parameters of a customer's ''profile'' would trigger an alert to law enforcement.

The bank regulators want to sell this program to the American people as an initiative to battle the evils of terrorism, drug trafficking, and other criminal activity. But, Mr. Speaker, these proposed ''Know Your Customer'' regulations are a blatant infringement on American citizen's civil liberties. These proposed regulations are nothing but intrusive, forceful, and unnecessary.

This is another example of the federal government invoking ''Big Brother'' to reduce American citizen's private and personal lives. Under authority of present law, the government has complied over 177 million currency transaction reports (CTRs) filed in less than ten years. These laws have met with very little success.

It is not the role of these agencies to seize the individual rights of citizens. That is why I have introduced the American Financial Institutions' Privacy Act of 1999, to allow the regulators the opportunity to re-think the ramifications these ''Know Your Customer'' regulations will have on the economy and the privacy of the American people. This legislation is narrowly crafted, precisely focused, and does not repeal existing tools for identifying true money launderers.

Mr. Speaker, Majority Whip TOM DELAY, Chairman RICHARD BAKER, of the Subcommittee on Capital Markets, Securities and Government Sponsored Enterprises, Congressmen SAXBY CHAMBLISS, and TOM CAMPBELL have all decided to be original cosponsors. I urge my colleagues to join me in stopping yet another abuse of power by the Federal Government and simultaneously helping to better understand the loopholes in our current law that allow money launderers to continue their deceptive practices.

I call on my colleagues to support the American Financial Institutions' Privacy Act of 1999.

THE LINCOLN JOURNAL STAR ON THE PRESIDENT'S SHELL GAME

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 3, 1999

Mr. BEREUTER. Mr. Speaker, this Member commends to his colleagues an excellent editorial which appeared in the Lincoln (Nebraska) Journal Star, on February 1, 1999.

[From the Lincoln Journal Star, Feb. 1, 1999]

SHELL GAME DOESN'T BELONG IN WASHINGTON

On the carnival midway, it's called the shell game. A fast-talking barker with quick hands flicks the nutshells around while the rubes try to guess which one hides the money.

Inside the Beltway, they play the shell game with taxpayers' money.

One of the best writers at following the game is Allan Sloan,who writes for Newsweek. In the Feb. 1 issue of the magazine Sloan takes a look at ''Washington's Math Problem.''

In the article Sloan explains how President Clinton could promise in his State of the Union address to save Social Security, help Medicare AND reduce the national debt.

Sloan's answer is that the president's commitments add up to 151 percent of the federal budget surpluses he's projecting for the next 15 years.

Clinton would spend the surplus between the amount taken in for Social Security and the amount paid out. First Clinton would take the $2.3 trillion already committed to the Social Security Trust Fund and spend it for other purposes. Then Clinton would take $2.8 trillion he allegedly is committing to ''save Social Security and Medicare'' and spend that for other things.

Sloan carefully notes that the Clinton administration says his characterization of the numbers game is unfair. Clinton economics advisor Gene Sperling says ''The president is responsibly advocating 100 percent of the surplus under the rules of the unified budget.''

Well, that's the way they talk inside the Beltway.

Out here in the Flyover Zone we call it bogus.

It helps us to think of America's huge national budget the same way we do a family budget.

In our comparison, Uncle Bill just got a new sales job. He's really hauling in the loot. Now he's boasting about how he's paying off credit card debts, AND squirreling away money in the kid's college accounts.

Part of what that rascally Bill is doing is actually good. He really is paying off debts. But he's just stuffing worthless IOUs in the kid's college accounts.

Uncle Bill's credit card debts are like the $5.5 trillion national debt. President Clinton's plan would pay down $3 trillion of that debt. Uncle Bill's college savings are like Social Security. His IOUs are like the worthless treasury notes that President Clinton would put in the Social Security Trust Fund.

Those treasury notes actually do exist. They are pieces of paper held in a Beltway vault. They even must be repaid with interest. But they are not investments; they are debts. They must be paid with taxes.

The most positive aspect of Clinton's plan is that it would be easier to borrow money for Social Security when Baby Boomers begin retiring in 2010 if the national debt is smaller.

It would be a hilarious charade if so many intelligent and perceptive people didn't believe it. Clinton didn't invent it. It's been played that way for years.

It's time for a change. Taxpayers should insist that the nation's budget figures be presented accurately and straightforwardly.

Anyone who runs their household budget like Uncle Bill is going to have a day of reckoning. So will Uncle Sam, especially if the nation adopts the scheme proposed by President Clinton.

SMALL BUSINESS INVESTMENT COMPANY TECHNICAL CORRECTIONS ACT OF 1999

SPEECH OF

HON. JUANITA MILLENDER-McDONALD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 2, 1999

Ms. MILLENDER-McDONALD. Mr. Speaker, I am very proud of the legislation the Small Business Committee has brought to the floor today. Through bipartisan efforts, we were able to unanimously pass this bill in the Committee, which will help small business entrepreneurs, particularly in urban communities, obtain the necessary capital to succeed.

As a member of the Committee and an original co-sponsor of H.R. 68, I would like to briefly explain why this bill is so important to small business owners in the 37th district of California and throughout the country. This bill will help give small businesses increased access to capital by streamlining the operation of the Small Business Investment Company program. Access to capital is one of the biggest challenges facing small businesses today. It is particularly difficult for women business owners who have just 2% of all venture capital.

This measure will allow SBICs, which are a critical public-private partnership helping thousands of small businesses, more flexibility in offering loans, a higher amount of available funding, and lower interest rates. SBICs have invested nearly $15 billion in long-term debt and equity capital to over 90,000 small businesses. As a result, companies such as Intel, FedEx, AOL and Staples were able to succeed, causing millions of jobs to be created and billions of dollars contributed to our economy. Most important to me and my district, are the ways in which SBICs have helped small businesses in urban areas access the capital they need to grow.

In 1997, we witnessed several innovative creations as a result of the SBIC program—two women owned SBICs and the first Hispanic owned SBIC. This growth and expansion will be accelerated with the passage of H.R. 68. I urge my colleagues to join me in passing this bill and being a part of our ongoing efforts to provide more opportunities to serve small, minority and women owned businesses and entrepreneurs.