

AN ALL-PURPOSES NEW "CRIME"

As part of the drug war that progressed and expanded (but is never victorious), the catch all crime of "money laundering" was invented: an all purpose federal prosecutors' dream. The anti-money laundering statutes that have grown like a malignancy. Charges of money laundering now routinely are shown in with almost every possible criminal indictment, often as a bargaining chip and/or a means to confiscate the wealth of the accused even before trial. Try hiring a good defense attorney when your bank account has been frozen.

Laws enacted under the banner of the war on drugs intentionally have forced bankers to become spies for the federal financial police. The bankers' primary allegiance now is not to customers or clients, but to the government.

At the Miami conference, scores of bank officials were instructed how to question clients, watch account activity, and report any "suspicious activity". Suspicious activity reports (SARs) are filed by the tens of thousands every month, produce voluminous computer records, encourage potential criminal investigations, allow prosecutors to bully citizens, but in the end very few SARs put criminals in jail. What this success process has produced is the mushrooming of federal prosecutorial staffs, US attorneys budgets, the power and costs of the US Department of Justice and the welfare of the bureaucrats and lawyers who feast at the taxpayers' trough.

OFFSHORE AS SCAPE GOAT

That great economist, Wilhelm Roepke, once wrote: "It is very easy to awaken resentment against people who not only have money, but also the boldness to send that money abroad in order to protect it against all manner of domestic insecurity. It's vital that people in their means of existence, that is, capital, still have the chance to move about internationally, and when absolutely necessary, to escape the arbitrariness of government policy by means of secret back doors."

Consider that expressed view in the context of what is known as "expatriation," the human right to acquire a new nationality and renounce one's old citizenship. We, as a nation of immigrants, should cherish that right.

In November 1994 Forbes magazine published an infamous article which identified a handful of wealthy ex-Americans who had formally renounced their U.S. citizenship and saved themselves and their families hundreds of millions of dollars in U.S. income, capital gains and estate taxes and produced a sudden frenzy in Congress, willingly aided and abetted by one Larry Summers, then Assistant Secretary of the Treasury. (There had been a federal law that claimed U.S. tax jurisdiction over tax expatriates if it could be proven they left the country with the express intent to avoid U.S. taxes, but it was never enforced.) A supposedly "conservative" Congress passed legislation in 1995 penalizing heavily those who renounced U.S. citizenship for the purpose of avoiding taxes. A 1996 change provided that any ex-American who left to avoid taxes could be forever stopped from returning to the U.S. Immigration officials were empowered to stop these culprits at the border. This drastic sort of exclusion previously had been confined only to people suffering from communicable diseases, Communists and certain terrorists. Needless to say, this inane provision, has never been enforced although it's still on the statute books.

NEEDED OFFSHORE ASSET PROTECTION

In truth, there are very legitimate financial reasons for an American citizen to "go

offshore". These include avoiding exposure to costly domestic litigation and excessive court damage judgements and jury awards, protection of assets, unreasonable SEC restrictions on foreign investments, the availability of more attractive and private offshore bank accounts, life insurance policies and annuities, avoidance of probate and reduction of estate taxes.

But Americans who have followed this prudent course now find themselves lumped together with drug lords, tax cheats, dirty money launderers, disease carriers and assorted criminals. What is legal and legitimate is made to look sinister and evil.

OECD—FATF WORLD INTIMIDATION CAMPAIGN

There is a decided international dimension to this domestic U.S. campaign against wealth. Beginning last June, the news media took belated notice of offshore tax havens and their thriving financial centers as a newly discovered international threat. A frenzy of publicity surrounded the serial publication of spurious "blacklists" by previously unnoticed international organizations. None of these self-appointed, self-important groups enjoy any legal standing, but they proceeded to announce exactly how the international financial world should conduct its affairs. Those nations in disagreement with the OECD world view were threatened with financial boycotts and unexplained "sanctions" to be imposed by June 2001.

These organizations include the Paris-based organization for Economic Cooperation and Development (OECD), which loudly denounces what it calls "harmful tax competition" is composed of representatives from major high tax nations. An OECD subsidiary is the Financial Action Task Force (FATF), a sort of financial Gestapo that pronounces who is legal and who is not legal in terms of money laundering activity.

Yet a third group without no basis in international law calls itself the "Financial Stability Forum." This is a subgroup of the G-7 nations and has taken it upon itself to decide which nations are good or bad in cooperation for capital flows.

All of these organizations are self-anointed and don't have any more standing than the International Tennis Association as far as legal capacity to impose their decisions. They are little more than public relations mouthpieces of an international cartel of rich nations trying to suppress tax havens and other nations that have profited from fully legal tax competition.

In an obviously co-ordinated effort starting last May, these organizations each issued its own "blacklist" of nations it found deficient in various ways. The FSF attached those it claimed were disruptive to international financial activity. FATF issued a list of countries allegedly lax on money laundering. The OECD came out with list of nations engaged in "unfair tax competition". It was no coincidence that most of the world's no-tax financial haven nations were on all these phony lists. A small coterie of statist bureaucrats in the financial ministries of the major nations had coordinated their propaganda work well: an uneducated, gullible global news media swallowed this phony story whole.

Every one of the wealthy nations that are pushing this attack on tax havens are controlled by high-tax, socialist governments who see a tax and wealth hemorrhage occurring among their citizens. Yes, millions, billions of dollars, pounds and francs are pouring out of high tax nations flowing to offshore tax havens—and for very good reasons. Why would anyone in his right mind continue to pay confiscatory taxes when you can move your financial activity to another nation where you pay no personal or cor-

porate income tax, no estate tax, no capital gains tax?

Ignored in this concerted attack on small tax haven nations is the simple fact that under current U.S. and UK tax laws the biggest tax savings for foreigners can be found in Britain and in the United States. The United States is one of the biggest tax havens in the world—but only for non-U.S. persons. And in spite of the known fact that most of the dirty money laundering in the world takes place in London and New York, neither nation is on the FATF money laundering blacklist.

All this is really a smoke screen for increased tax collection. Feeling the tax drain, the rich nations want an end to all those factors that make tax haven attractive: They demand that taxes be imposed where there are none, want an end to financial and banking privacy and "free exchange" of information, want complete "transparency", and want these small nations to become tax collectors for the rich, welfare state nations. In other words, they want tax havens to become just like the profligate major nations.

This new cartel of high-tax nations, limping along with their huge, unsustainable welfare state budgets, are engaged in a grotesque rebirth of colonialism and imperialism of a financial nature. They are willing to trample the sovereignty of small nations. In fact, the United Nations last year said national sovereignty must be compromised in order to impose a world financial order of high taxes and no financial privacy. Such a radical demand mocks international law. It makes vassal states out of sovereign nations.

This wrong headed approach flies in the face of every development that is producing the new prosperity: the Internet, e-commerce, globalization, cross border investment worldwide. For that reason alone, this effort will fail. Just as the legendary King Canute could not hold back the ocean tides, the rich nations will be swept away in their effort to impose their will on the world.

CONGRESSIONAL INTERNET
CAUCUS E-GOVERNMENT EVENT

HON. RICK BOUCHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 19, 2000

Mr. BOUCHER. Mr. Speaker, as Co-Chair of the Congressional Internet Caucus, I have long had a keen interest in how the Internet revolution is affecting the relationship between citizens and their government. In my own district, we have held an annual conference at which we discuss what government can do better to improve the way it delivers services and information to the public via the Internet.

As we seek to find ways to better connect with our increasingly Internet-savvy constituents, I think our colleagues may learn much by looking at how state and local governments are using electronic means to deliver services to the public. For this reason, I thought my colleagues would be interested in the results of a study entitled, "Benchmarking the eGovernment Revolution: Year 2000 Report on Citizen and Business Demand." I understand this to have been the first national survey that asked citizens and businesses what state and local government services they want to access online.

The survey found that citizens rank renewing their driver's license and voting online

highest among the electronic government services they wish to perform. Businesses are most interested in searching court records and obtaining or renewing professional licenses online. Perhaps surprisingly, both citizens and businesses expressed a high degree of willingness to pay modest transaction fees in return for the convenience of being able to access government services via the Internet 24 hours a day, 7 days a week.

The survey also confirmed that trust is the most critical issue facing government in providing online services to constituents. The survey found, for example, that only one-third of current Internet users trust the government to keep their records confidential. Clearly, government agencies are going to have to work harder to develop the level of trust necessary for citizens to increase their use of the Internet for accessing electronic government services.

As part of the work of the Congressional Internet Caucus next year, we will undertake an effort to educate Members about how this "eGovernment" revolution is proceeding at the state level, as well as how they can better connect with their constituents through electronic means. As part of this effort, we need to assess ways to bridge the digital divide so that all of our constituents can participate in the Internet Century. I anticipate that we also will continue to offer a series of sessions on the most pressing Intellectual Property issues of the day, such as the award of business method patents and ways to update the Copyright Act so that it continues to reflect evolutions in technology.

We will of course welcome the participation of all Members in the Caucus and their suggestions on developing new means of connecting with our constituents.

HONORING MEMBERS OF THE
CREW OF THE GUIDED MISSILE
DESTROYER U.S.S. 'COLE'

SPEECH OF

HON. SANFORD D. BISHOP, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 18, 2000

Mr. BISHOP. Mr. Speaker, for a number of us, the terrorist attack on the U.S.S. *Cole* struck close to home.

Craig Freeman, a 12-year Navy veteran who suffered multiple injuries, is from Moultrie in my area of southwest Georgia. Thankfully, he will soon be well enough to visit his family on leave. But some of his shipmates remain hospitalized, and 17 of them will never see their loved ones again. These brave young Americans willingly went into harm's way, and, like others who have paid the price for our freedom, they shall forever remain in our hearts.

We extend our sympathy to the families. We also express our rage. But that is not enough, Mr. Speaker.

We must resolve to fight back against these insane acts by committing the country's full resources in an aggressive effort to determine who is responsible, to see that justice is done, and to do everything possible to deter such acts in the future. As Navy Secretary Richard Danzig pointed out, our memory is long and our reach is longer. As a member of the House Select Committee on Intelligence, I will

continue working to ensure that the country is fully prepared to strike back against these forces of evil.

PERSONAL EXPLANATION

HON. GEORGE R. NETHERCUTT, JR.

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 19, 2000

Mr. NETHERCUTT. Mr. Speaker, on October 18, 2000, I missed rollcall votes 531, 532 and 533. I request that the record reflect that had I been present, I would have voted "aye" on all three votes.

A TRIBUTE TO MR. DAVID C.
DECKER

HON. GARY G. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 19, 2000

Mr. GARY MILLER of California. Mr. Speaker, I rise to commend Mr. David C. Decker, the 136th Grand Master of Masons in California. Mr. Decker is a member of Upland-Mt. Baldy Lodge No. 419, where he has served as Master since 1974.

A native of Illinois, Mr. Decker was born on April 4, 1937, and attended public schools in Ladora, Iowa. Upon moving to California, Mr. Decker continued his education at Chaffey College and San Bernardino Valley College.

After thirty years of service to GTE, Mr. Decker retired. At GTE, his primary responsibility included the supervision and development of personnel associated with the installation and maintenance of telephones.

Mr. Decker is extremely active in the Masonic community. He is a member of the Santa Anna Scottish Rite, Riverside York Rite, Al Malaikah Shrine Temple where he serves as an Ambassador at Large, National Sojourners, Grotto, Mission Bell Court—Order of Amaranth, Gate City Chapter—Order of the Eastern Star, Royal Order of Scotland, and the Red Cross of Constantine. In addition, he also serves on the Board of Governors at the Shrine Hospital in Los Angeles.

Mr. Decker has held numerous positions within the Masonic Lodge. He served as Inspector of the 606th Masonic District from 1986–1991; from 1991–1992, he was the Senior Grand Deacon for the Grand Lodge; and was named a Trustee of the Board of Trustees of the California Masonic Foundation.

The leadership exhibited by Mr. Decker has been recognized. In January of 1996, he was presented with the Hiram Award, and in 1998 he was honored by the International Supreme Council, Order of DeMolay with the Legion of Honor.

Mr. Speaker, I ask that this 106th Congress join Upland-Mt. Baldy Lodge No. 419 as they salute California's 136th Grand Master of Masons, Mr. David C. Decker.

TRIBUTE TO DOUGLAS SIMMONS

HON. JOHN T. DOOLITTLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 19, 2000

Mr. DOOLITTLE. Mr. Speaker, today I recognize and honor the contributions my good friend, R. Douglas Simmons, has made to one of America's most respected service institutions, the Boy Scouts of America (BSA). On October 27 of this year, Doug will mark 50 years of continuous registration in the Boy Scouts organization. This lengthy record of service both as a youth participant and as an adult leader merits the recognition and commendation of this distinguished body.

First of all, I wish to say a few words about the Boy Scouts of America itself. Few other organizations have as admirable a record of doing good as does the BSA. For ninety years, Boy Scouts have been symbols of everything that is right with America's youth. In fact, in the eyes of many, the faithful Boy Scout has come to embody the virtues of personal integrity and community service.

Scouting is a program that educates young men in countless fields of study, trains them to master practical skills, instills in them a sense of civic duty, encourages them to develop commitment to their faith and country, and teaches them to lead a life of service to others. Boy Scouts learn and practice the principles of cooperation and teamwork. They take an active role in setting goals, making decisions, and executing plans for themselves and for the group. Whether it be in today's businesses, government institutions, schools, or families, these leadership skills are clearly in demand.

Perhaps the BSA's most valuable role in today's society is that it provides boys with positive male role models. In our increasingly fatherless society, it is now more important than ever for young men to have honorable mentors that they can look to for example, instruction, counsel, and companionship.

Mr. Speaker, I am glad to say that my friend, Doug Simmons, has been a part of BSA's sterling legacy for the past 50 years. His scouting career began when he registered as an eight-year-old Cub Scout on October 27, 1950. He remained active in Scouting throughout his youth, eventually advancing to the rank of Eagle Scout and participating in the Order of the Arrow. In each of his Scout troops and Explorer posts, Doug held leadership positions. Perhaps the culmination of his experience as a Boy Scout was when he attended the National Scout Jamboree.

To his credit, Doug has continued his involvement in Scouting as an adult leader. His ongoing leadership training includes Bear Paw and Wood Badge courses and time at Philmont Scout Ranch. He has held numerous positions at almost every level of Scouting. Among the troop level positions he has filled are scoutmaster, troop committee chairman, unit commissioner, and institutional representative. At the district level, Doug Simmons has been Camporee chairman, and he has served on the camping committee. At the council level, he has been a member of the Explorer Advisory Council and the Bear Paw training staff. Furthermore, he has served in Order of the Arrow leadership and as a merit badge counselor.