

October 11, 2001

Ron Paul statement on HR 3004 before the House Financial Services committee

Mr. Chairman, the so-called Financial Anti-Terrorism Act of 2001 (HR 3004) has more to do with the ongoing war against financial privacy than with the war against international terrorism. Of course, the federal government should take all necessary and constitutional actions to enhance the ability of law enforcement to locate and seize funds flowing to known terrorists and their front groups. For example, America should consider signing more mutual legal assistance treaties with its allies so we can more easily locate the assets of terrorists and other criminals.

Unfortunately, instead of focusing on reasonable measures aimed at enhancing the ability to reach assets used to support terrorism, HR 3004 is a laundry list of dangerous, unconstitutional power grabs. Many of these proposals have already been rejected by the American people when presented as necessary to "fight the war on drugs" or "crackdown on white-collar crime." Even a ban on Internet gambling has somehow made it into this "anti-terrorism" bill!

Among the most obnoxious provisions of this bill are: expanding the war on cash by creating a new federal crime of taking over \$10,000 cash into or out of the United States; codifying the unconstitutional authority of the Financial Crimes Enforcement Network (FinCeN) to snoop into the private financial dealings of American citizens; and expanding the "suspicious activity reports" mandate to broker-dealers, even though history has shown that these reports fail to significantly aid in apprehending criminals. These measures will actually distract from the battle against terrorism by encouraging law enforcement authorities to waste time snooping through the financial records of innocent Americans who simply happen to demonstrate an "unusual" pattern in their financial dealings.

HR 3004 also attacks the Fourth Amendment by authorizing warrantless searches of all mail coming into or leaving the country. Allowing government officials to read mail going out of or coming into the country at whim is characteristic of totalitarian regimes, not free societies.

In conclusion, Mr. Chairman, I urge my colleagues to reject this package of unconstitutional expansions of the financial police state, most of which will prove ultimately ineffective in the war against terrorism. Instead, I hope this Committee will work to fashion a measure aimed at giving the government a greater ability to locate and seize the assets of terrorists while respecting the constitutional rights of American citizens.