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The Honorable Paul H. O'Neill
Secretary of the Treasury
1500 Pennsylvania Ave NW
Washington, DC 20220

March 27, 2001

Dear Secretary O'Neill,

I am writing to express my concern that the OECD and FATF's campaigns that do not respect our financial privacy, the benefits of low tax rates, our sovereignty and the legislative process here in the US. Because the Free Congress Foundation is concerned that the new Administration has not demonstrated a commitment to respect privacy, we will be energizing the members of our Coalition for Constitutional Liberties against these proposals as we have in the past.

Specifically, the Treasury officials representing the new Bush Administration with the Organization for Economic Cooperation and Development (OECD) and the Financial Action Task Force (FATF) maintain that there is no change in policy. This policy attempts to institute the popularly-rejected "Know Your Customer" financial regulation by side-stepping the legitimate legislative process.

The Coalition for Constitutional Liberties helped generate many of the 300,000 comments against the Know Your Customer proposal under the Clinton Administration. We are disappointed that the Bush Administration continues to pursue an approach that Larry Lindsey has described as ineffective: 99.999% of all Currency Transaction Reports filed are on law-abiding citizens going about their normal business. The Suspicious Activities Reports' approach discriminates against the poor, racial and ethnic minorities.

The OECD and FATF's campaigns against banking secrecy and "harmful tax competition" are problematic for several reasons. This approach undermines the public confidence between individuals and their financial institutions, accountants and lawyers. These policies would likely distort capital inflows to the United States and could act, effectively, as capital controls. Economic dislocations to our friends and neighbors could destabilize the political situation and lead to serious foreign policy and illegal immigration problems here in the US. Our modern economy requires a liberal capital policy. I strongly urge you to reverse the Clinton Administration policies and respect financial privacy.

Respectfully,

Paul M. Weyrich
President
Free Congress Foundation