Bills in Congress a Looming Disaster for Financial Privacy

September 24, 2021 - You may know that the federal government tracks large bank deposits. It has done this for years, supposedly to discourage money laundering. In actuality, it is to make sure that taxes get collected but perhaps we're picking at knits. Either way, the government watches financial activity simply based on deposit size. The fact that the have been able to get away with this is somewhat remarkable given that the Fourth Amendment is supposed to protect us all from searches without any probable cause, but they do. But the proposed $3.5 Trillion infrastructure bill will make this government snooping even more stringent. If it passes, just about everyone in the United States will find that their bank account is being monitored.

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While the current regulation requires monitoring of large deposits and withdrawals, it doesn't monitor specific accounts. It is transaction oriented. That would change with the new proposal. Any account with more than $600 in it would be swept up in the government's snooping. That means that even high school students with summer jobs are likely to find their transactions monitored. It almost makes the case for stuffing your money under the mattress.

This provision of the legislation isn't the only thing moving through congress to destroy financial privacy. This week Congressman Don Beyer (D-VA) introduced another bill called the Digital Asset Market Structure and Investor Protection Act (also known as the Digital Asset Bill or DAB). It would authorize and regulate the FED to issue cryptocurrency. And it would make that FED-issued cryptocurrency legal tender for transactions in the United States.

At this point, you might be asking why we think that DAB is a problem. Well between the infrastructure bill and DAB, these two pieces of legislation would allow the government to monitor virtually every transaction everyone makes. Every single deposit and withdrawal from virtually all bank accounts nationwide would be monitored. And every single purchase made with government issued crypto would be visible to them too.

It is quite likely that once the FED starts issuing cryptocurrency, there will be a push on to start limiting the use of cash. If you don't think that sounds reasonable, it has already happened in other parts of the world. For instance, in Italy cash purchases of 1,000 Euros or more are now illegal. FED issued crypto is likely to bring that sort of regulation here too. Governments would actually like nothing better than to replace cash with digital currency that can easily be monitored and traced.

The bottom line here is that if you don't think your purchase of hemorrhoid cream is any of the government's business,

then you need to start calling your congressional representatives now. These proposals arenâ€™t just something that is being discussed. They are actually now in writing and being reviewed by congress. If you want to have them eliminated, then the time to act is now. Otherwise there is a very real possibility that they will become law before the end of this year.
by Jim Malmberg
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